



DUNDEE INTERNATIONAL REIT FUELS GROWTH WITH ACQUISITION OF HIGH QUALITY ASSETS AT HISTORIC LOW INTEREST RATES

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 9, 2013 DUNDEE INTERNATIONAL REIT (DI.UN-TSX) today reported its financial results for the quarter ended March 31, 2013. 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 Toronto Board of Trade, East Ballroom, 1 First Canadian Place in Toronto.

In addition, senior management will be hosting a conference call tomorrow, May 10, 2013 at 11:00 a.m. (ET). Please dial 647-317-3471 or 1-866-551-3680 and use passcode 56328129# to access the conference call.

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. A taped replay of the conference call and the webcast will be available for 90 days.

HIGHLIGHTS

Q1 2013 was the Trust's most active quarter since its IPO with the acquisitions of 14 high-quality office properties in key markets in Germany. These accretive acquisitions further diversify Dundee International REIT's tenant mix and lender base and improve the quality of its long-term cash flow.

- \$722 million of acquisitions completed at cap rates which exceed borrowing costs by 400 basis points.
- Closed \$442 million of mortgage financings at an average interest rate of 2.58% and an average term of 7.1 years.
- Increased the average term to maturity of its debt to 5.2 years from 4.8 years at March 31, 2012.
- Further diversified the REIT's tenant profile by reducing its exposure to its largest tenant Deutsche Post to 43% of the Trust's overall gross rental income ("GRI"), down from 65% at the end of 2012 and 85% at the end of 2011.
- Achieved 92 basis point year-over-year decline in weighted average interest rate since March 31, 2012.
- Completed a public offering of 23,230,000 units, including an over-allotment option, and raised net proceeds of \$243 million to finance growth.



GROWTH INITIATIVES

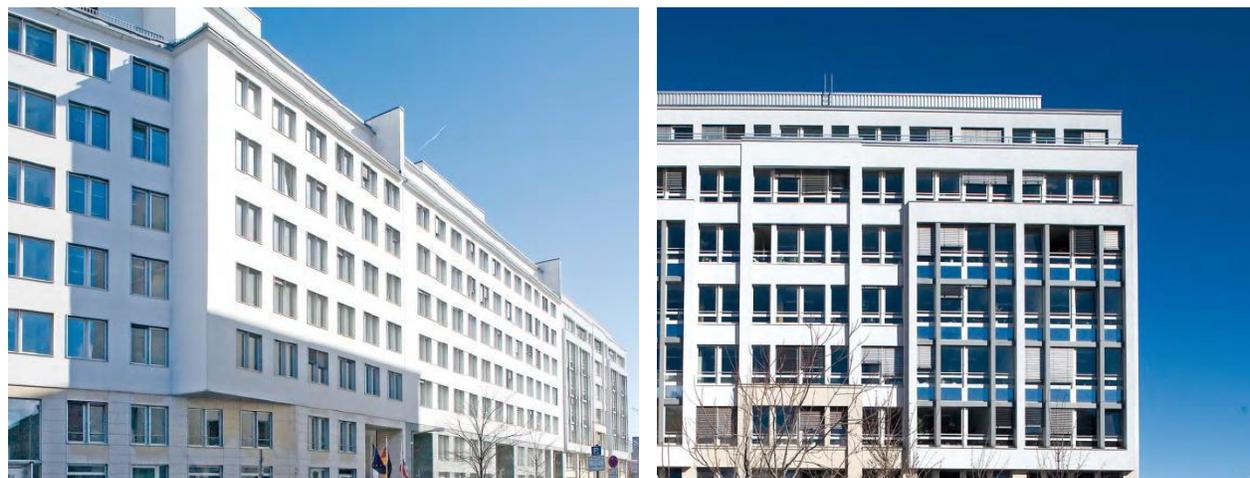
Acquisitions – During Q1 2013, Dundee International REIT completed 14 office property acquisitions for approximately \$722 million, comprising approximately 1.9 million square feet of office space, 75% of which are located in the biggest German markets.

Property	Acquired GLA (sq. ft.)	Occupancy at acquisition (%)	Purchase price (\$'000) ⁽¹⁾	Date acquired
Hammer Stasse 30-34, Hamburg	172,300	100	\$ 56,328	January 31, 2013
Neue Mainzer Strasse 28 (K26), Frankfurt	123,300	90	82,351	February 15, 2013
Dillwächterstrasse 5 & Tübinger Strasse 11, Munich	81,900	99	24,579	March 2, 2013
SEB Portfolio (11 properties in Germany)	1,476,500	94	558,968	March 12-14, 2013
Total	1,854,000	95	\$ 722,226	

1) Excludes transaction costs

“With our acquisition of 14 office properties during the quarter, we have transformed our asset base by adding prime office buildings in major German cities, diversified our tenant base with globally recognized names and continued the drive to create a high quality portfolio of real estate,” said Jane Gavan, CEO of the REIT.

Acquisitions completed subsequent to quarter-end – On April 30, 2013, the Trust completed the acquisition of a property located at Beuthstrasse 6-8 and Seydelstrasse 2-5 (“Löwenkontor”) in Berlin for \$55.0 million. The property comprises approximately 258,000 square feet of GLA with more than half of the space occupied by a government agency, has an occupancy rate of 95% and a weighted average remaining lease term of 9.1 years. The Trust acquired the property at a cap rate of 6.9% and obtained mortgage financing with a face rate of 2.37% for a term of 5 years.



Dispositions – The Trust completed the sale of seven small properties during Q1 2013 for an aggregate sales price of approximately \$7.0 million. Net proceeds totalling \$4.3 million were used to reduce the Trust’s term loan credit facility.

OPERATING AND FINANCIAL HIGHLIGHTS

For the three months ended	March 31, 2013	December 31, 2012	March 31, 2012
Asset base and market capitalization (\$ '000)			
Investment properties	\$ 1,873,702	\$ 1,182,757	\$ 985,363
Market capitalization	1,017,104	789,501	524,635
Operations			
Occupancy rate (period-end)	85% ⁽¹⁾	83%	88%
In-place rent per square foot	\$ 10.26	\$ 8.20	\$ 7.25
Operating results (\$ '000)⁽²⁾			
Investment properties revenue	\$ 46,364	\$ 35,926	\$ 34,074
Net rental income	27,311	22,057	20,737
Funds from operations ("FFO") ⁽³⁾	15,793	12,348	11,762
Adjusted funds from operations ("AFFO") ⁽⁴⁾	14,770	11,887	11,184
Financing			
Weighted average interest rate (period-end)	3.39%	3.98%	4.31%
Interest coverage ratio	3.45 times	3.23 times	2.77 times
Per unit amounts			
Basic:			
FFO ⁽³⁾	\$ 0.20	\$ 0.19	\$ 0.23
AFFO ⁽⁴⁾	0.19	0.19	0.22
Distribution rate	0.20	0.20	0.20
Weighted average number of units outstanding	79,267,113	64,064,093	51,882,467
Basic (excluding impact of undeployed cash)			
FFO ⁽³⁾	\$ 0.24	\$ 0.24	\$ 0.25
AFFO ⁽⁴⁾	0.23	0.24	0.24

(1) Including the terminated space for which the Trust receives payments pursuant to a head lease, occupancy would increase to 90%

Occupancy – Occupancy at March 31, 2013 was 85%, or approximately 90% 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 have increased in Q1 2013 largely due to the acquisitions of higher quality office properties. Overall, at \$10.61 per square foot, average market rents in our portfolio remain approximately 3.4% above in-place rents of \$10.26 per square foot.

Funds from operations – FFO for the three months ended March 31, 2013 was \$0.20/unit. The Trust had an average balance of \$135 million of undeployed cash on hand during the quarter, largely resulting from recent equity issues in anticipation of upcoming acquisitions. Excluding the impact of undeployed cash, FFO would be \$0.24/unit.

Adjusted funds from operations – AFFO for the three months ended March 31, 2013, was \$0.19/unit. Excluding the impact of undeployed cash, AFFO would be \$0.23/unit.

CAPITAL INITIATIVES

Equity – On April 30, 2013, the Trust had 95,659,578 units outstanding. At the April 30, 2013 closing price of \$11.00 per unit, the Trust's market capitalization was \$1.05 billion.

Public offering of units – On March 5, 2013 the Trust completed a public offering of units, issuing 23,230,000 Units, including an over-allotment option, at a price of \$10.90 per unit. In total, the Trust raised \$253 million of gross proceeds.

Financing – During Q1 2013, the Trust obtained mortgage financing in the amount of \$442 million at an average face rate of 2.58% and an average term to maturity of 7.1 years.

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

	March 31, 2013	December 31, 2012	March 31, 2012
<i>Financing activities</i>			
Weighted average interest rate	3.39%	3.98%	4.31%
Level of debt (debt-to-book value) ⁽¹⁾	56%	52%	56%
Interest coverage ratio	3.45 times	3.03 times	2.77 times
Debt-to-EBITDFV (years)	8.8	8.5	8.4
Debt – average term to maturity (years)	5.2	4.4	4.8
Variable rate debt as percentage of total debt	7%	11%	14%

(1) December 31, 2012 ratio reflects significant cash on hand to fund future acquisitions

As at March 31, 2013, the Trust had a debt-to-book value of 56% (or 49%, if Debentures are excluded), had a weighted average interest rate of 3.39% for all of its interest-bearing debt and an interest coverage ratio of 3.45 times, reflecting the Trust's ability to cover its interest expense requirements.

The average term to maturity of the Trust's debt increased to 5.2 years from 4.4 years. The Trust continues to attract new lenders. At the end of Q1 2013, new lenders held 58% of the Trust's mortgage debt compared to 100% of the mortgage debt being held by the original syndicate at the time of the Trust's IPO in 2011.

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 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.

FOOTNOTES

- (2) Operating results for the three-months ended March 31, 2013 and March 31, 2012 were converted at the following average exchange rates, respectively: \$1.3319:€1 and \$1.3129:€1.
- (3) 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.
- (4) 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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