



DREAM GLOBAL REIT REPORTS Q1 2015 FINANCIAL RESULTS AND CONTINUES STRONG LEASING MOMENTUM IN A STRENGTHENING GERMAN ECONOMY

TORONTO, MAY 6, 2015 DREAM GLOBAL REIT (DRG.UN-TSX) today reported its financial results for the quarter ended March 31, 2015. Dream Global REIT's management team will discuss the Trust's business at its annual meeting, being held today at 4:00 p.m. (ET) at the Trust's corporate office at 30 Adelaide Street East, Suite 300 in Toronto.

Q1 2015 HIGHLIGHTS

- **Improving operating metrics**
 - **Continued strong leasing performance** with the completion of over 200,000 square feet of new leases and renewals in Q1 2015, achieving an average retention rate of 67%. Leasing momentum remains strong, buoyed by solid economic metrics in Germany.
 - **Rising in-place rents** with average in-place rents up 4.5% to €9.26 in Q1 2015 from €8.86 at the end of 2014.
 - **Improving leasing spread** with market rents exceeding in-place rents by 3.3% as at Q1 2015.
- **Investment highlights**
 - **Acquisition pipeline continues to remain active** with the closing of the \$136.1 million acquisition of Millerntorplatz 1 in Hamburg on February 6, 2015, the Trust's largest asset based on gross leasable area. The Trust is presently in exclusive negotiations on new acquisitions in Germany's major markets totaling approximately €50 million (\$67 million), which remain subject to due diligence review.
 - **Joint venture with POBA was further expanded** through the sale of a 50% interest in Officium in Stuttgart, increasing POBA's overall ownership interest to 577,000 square feet in eight of the Trust's properties. This joint venture reinforced the strength of Dream Global's operating platform and set the stage for discussions with other potential joint venture partners attracted to the German market.
 - **Continued capital recycling program** with the sale of 10 properties from the Trust's Initial Portfolio during Q1 2015 for gross proceeds of \$21.3 million and 20 additional properties currently held for sale, increasing the 2015 year-to-date dispositions to approximately \$66.2 million.
- **Strong German economic conditions and market fundamentals**
 - **German GDP growth estimates** for 2015 have been adjusted upwards to 1.8%⁽¹⁾ to reflect strong exports and increased consumer spending.
 - **Record-low vacancy** in the seven largest office markets in Germany, with vacancy in all seven markets declining to an average vacancy rate of 7.5%⁽²⁾ at the end of Q1 2015 from 7.6%⁽²⁾ at the end of 2014.
 - **Favourable lending environment** with historically low interest rates and lending margins.

⁽¹⁾ Federal Statistics Office

⁽²⁾ Jones Lang LaSalle Office Market Overview Q1 2015

KEY PERFORMANCE INDICATORS

	March 31, 2015	December 31, 2014	March 31, 2014
Portfolio			
Number of properties ⁽¹⁾	237	266	293
Gross leasable area ("GLA") (in square feet) ⁽¹⁾	13,863,404	14,839,661	15,820,974
Occupancy rate – including committed (period-end) ⁽¹⁾	86.0%	85.3%	87.7%
Occupancy rate – in-place (period-end) ⁽¹⁾⁽²⁾	85.6%	84.7%	86.9%
Average in-place net rent per square foot (period-end) ⁽¹⁾	€ 9.26	€ 8.86	€ 8.72
Market rents above in-place net rents ⁽¹⁾	3.3%	2.9%	1.5%
Operating results ⁽²⁾			
Investment properties revenue ⁽³⁾	\$ 56,910	\$ 61,690	\$ 67,133
Net operating income ⁽³⁾			
Total portfolio	38,298	43,069	45,800
Initial Properties	12,321	16,537	21,627
Acquisition Properties	25,977	26,532	24,173
Funds from operations ("FFO") ⁽³⁾	21,244	23,428	24,756
Adjusted funds from operations ("AFFO") ⁽³⁾	19,862	22,401	23,084
Distributions			
Declared distributions	\$ 22,353	\$ 22,263	\$ 22,006
DRIP participation ratio (for the period)	15%	16%	18%
Per unit amounts ⁽⁴⁾			
Distribution	\$ 0.20	\$ 0.20	\$ 0.20
Basic:			
FFO	0.19	0.21	0.23
AFFO	0.18	0.20	0.21
Diluted:			
FFO	0.19	0.21	0.22
Financing			
Weighted average face rate of interest on debt (period-end) ⁽¹⁾	3.10%	3.23%	3.35%
Interest coverage ratio ^{(1) (3)}	3.02 times	3.26 times	3.41 times
Debt-to-adjusted EBITDFV (years) ^{(1) (3)}	10.49	9.18	9.00
Level of debt (debt-to-gross book value, net of cash) ^{(1) (3)}	52%	51%	56%
Debt – average term to maturity (years) ^{(1) (3) (5)}	4.6	4.3	4.2
Unsecured convertible debentures	\$ 152,898	\$ 152,365	\$ 150,822

(1) Reflects owned share of joint venture properties starting in Q4 2014. Number of properties includes the joint venture properties and excludes properties classified as assets held for sale starting in Q1 2015.

(2) Operating results for the three months ended March 31, 2015, December 31, 2014 and March 31, 2014 were converted \$1.397:€1, \$1.419:€1 and \$1.512:€1, respectively.

(3) Investment properties revenue, net operating income, FFO, AFFO, interest coverage ratio, debt-to-adjusted EBITDFV, level of debt (net debt-to-gross book value, net of cash) and debt - average term to maturity are non-GAAP measures used by Management in evaluating operating performance. Please refer to the cautionary statements under the heading "Non-GAAP Measures" in this press release.

(4) A description of the determination of basic and diluted amounts per unit can be found in section "Non-GAAP measure and other disclosures" under the heading "Weighted average number of Units" of the MD&A.

(5) This metric excludes amounts outstanding under the revolving credit facility.

2015 OPERATING HIGHLIGHTS

Occupancy – In Q1 2015, the Trust completed over 200,000 square feet of new leases and renewals and continued disposing of non-core assets with generally lower occupancy rates. As a result of this active asset management program, the occupancy of the portfolio overall increased to 86.0% at the end of Q1 2015.

“We are pleased with the leasing performance of the portfolio in the first quarter. With most of the 2014 Deutsche Post terminations behind us, we believe that the occupancy of the portfolio will continue to grow for the balance of 2015, supported by strong and improving fundamentals in German office markets,” said Alex Sannikov, Vice President, Portfolio Management of Dream Global REIT.

In-place rents – In Q1 2015, in-place rents further increased to €9.26 from €8.86 at the end of 2014, largely due to market conditions and an overall improvement in the quality of the portfolio. Year-over-year, in-place rents increased by more than 6%, highlighting the improved quality of our asset base and achieving rental rate growth in our Initial Properties portfolio. Overall, the in-place rents in our Initial Properties portfolio remain approximately 14% below market rents, which provides for significant upside on renewals and new leases.

GROWTH INITIATIVES

Acquisitions – On February 6, 2015, the Trust completed the previously announced acquisition of Millerntorplatz 1, a €95.9 million (\$136.1 million) office property in Hamburg, Germany. This multi-tenant property, built in 1997, is the Trust’s largest asset based on GLA and is leased to a variety of tenants including Deutsche Rentenversicherung, Germany’s largest state pension fund, and the City of Hamburg. The asset comprises approximately 374,500 square feet of gross leasable area and has a weighted average remaining lease term of 5.3 years and a current occupancy rate of 87%. The Trust acquired the property at a going-in cap rate of 6.1% and has financed it with a 10-year mortgage at an interest rate of 1.71%.

Capital recycling – 10 properties were disposed of during Q1 2015 at 103% of their fair value as part of the Trust’s continuing capital recycling program for an aggregate sales price of \$21.3 million. In addition, as at March 31, 2015, 20 properties were held for sale, bringing the total number of properties sold or held for sale during Q1 2015 to 30.

To highlight the quality of Dream Global REIT’s portfolio and the depth of its management platform, Dream Global REIT hosted a property tour in Germany for analysts and investors in April 2015.

“In less than four years, we have built an outstanding portfolio of desirable buildings generating high quality returns from assets located in the best markets in Germany. Through the scale and expertise of our local management team, we have been successful in adding additional value to our portfolio through active asset management, including leasing, asset repositioning as well as the redevelopment and the sale of assets,” said Jane Gavan, CEO of Dream Global REIT. “Today we are pleased to feature a virtual tour of our portfolio in Munich, the capital of Bavaria and with the strongest economy of any German city.”



FINANCIAL HIGHLIGHTS

Funds from operations – FFO for the three months ended March 31, 2015 was \$21.2 million compared to \$23.4 million for the three months ended December 31, 2014. On a per unit basis, basic FFO for three months ended March 31, 2015 was \$0.19/unit, compared to \$0.21/unit for the three months ended December 31, 2014. The reduction reflects the anticipated impact from the 2014 Deutsche Post lease terminations, which are partially offset by an acquisition completed in 2015 and the Trust's strong leasing performance.

Adjusted funds from operations – As expected, AFFO was \$19.9 million for the three months ended March 31, 2015, compared to \$22.4 million for the three months ended December 31, 2014, as a result of the 2014 Deutsche Post terminations.

CAPITAL INITIATIVES

Financing – The lending environment in Germany remains favourable with historically low interest rates and lending margins. Dream Global REIT is able to take advantage of these conditions as evidenced by the decline in the average face interest rate to 3.10% at the end of Q1 2015, from 3.23% at the end of Q4 2014.

"We continue to take full advantage of the current attractive lending environment by extending maturities and reducing interest rates on existing debt," said Rene Gulliver, CFO of Dream Global REIT.

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.dreamglobalreit.ca and on SEDAR at www.sedar.com.

Dream Global 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. Dream Global REIT's portfolio currently consists of approximately 13.9 million square feet of gross leasable area of office, industrial and mixed use properties across Germany. For more information, please visit www.dreamglobalreit.ca.

Non-GAAP Measures

The Trust's condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-GAAP financial measures, including investment properties revenue, net rental income, funds from operations ("FFO"), adjusted funds from operations ("AFFO"), interest coverage ratio, debt-to-adjusted EBITDFV and level of debt (net debt-to-gross book value, net of cash), debt - average term to maturity as well as other measures discussed elsewhere in this release. These non-GAAP measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. The Trust has presented such non-GAAP measures as Management believes they are relevant measures of the Trust's underlying operating performance and debt management. Non-GAAP measures should not be considered as alternatives to net income, cash generated from (utilized in) operating activities or comparable metrics determined in accordance with IFRS as indicators of the Trust's performance, liquidity, cash flow, and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-GAAP Measures and Other Disclosures" in Dream Global REIT's Management's Discussion and Analysis for the three months ended March 31, 2015.

Forward-looking information

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 Dream Global 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. Dream Global 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 Dream Global REIT's filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dream Global REIT's website at www.dreamglobalreit.ca.

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