



DUNDEE INDUSTRIAL REIT COMPLETES \$230.1 MILLION PUBLIC OFFERING

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TORONTO, DECEMBER 13, 2012 DUNDEE INDUSTRIAL REIT (TSX: DIR.UN) today announced the closing of its previously announced public offering of 13,570,000 units of Dundee Industrial REIT ("Units") at a price of \$10.60 per Unit and \$86,250,000 aggregate principal amount of 5.25% convertible unsecured subordinated debentures due December 31, 2019 ("Debentures") for aggregate gross proceeds of \$230,092,000, including 1,770,000 Units and \$11,250,000 aggregate principal amount of Debentures issued pursuant to the over-allotment option granted to the underwriters, which was exercised in full. The syndicate of underwriters was led by TD Securities Inc.

The net proceeds of the public offering will be used to partially fund the previously announced acquisition of a 5.3 million square foot portfolio of industrial properties (the "Portfolio") from affiliates of KingSett Capital Inc. ("KingSett") and for general trust purposes. The acquisition is scheduled to close on December 19, 2012 and is subject to conditions customary for transactions of this nature. In order to satisfy a portion of the purchase price for the Portfolio, Dundee Industrial REIT will issue an additional 2,358,491 Units and \$25,000,000 aggregate principal amount of Debentures to an affiliate of KingSett on closing of the Portfolio acquisition, in each case at the same price and on the same terms as those sold to the public under this public offering.

The Debentures bear interest at a rate of 5.25% per annum, payable semi-annually in arrears on the last day of June and December of each year commencing on June 30, 2013, and will mature on December 31, 2019 (the "Maturity Date"). The Debentures will be convertible at the holder's option into Units at any time prior to the earlier of the Maturity Date and the date fixed for redemption at a conversion price of \$13.80 per Unit, subject to adjustment in certain circumstances.

There can be no assurance that all conditions to closing of the acquisition of the Portfolio will be satisfied or waived.

This press release is not an offer of securities for sale in the United States. The Units and Debentures 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 Industrial REIT is an unincorporated, open-ended real estate investment trust. Dundee Industrial REIT owns a portfolio of 79 primarily light industrial properties comprising approximately 6.2 million square feet of gross leasable area in key industrial markets across Canada. Its objective is to build upon and grow its portfolio and to provide stable, sustainable and growing distributions to its unitholders. For more information, please visit www.dundeeindustrial.com.

This press release contains forward-looking statements with respect to Dundee Industrial REIT and its operations, strategy, financial performance and financial condition, as well as with respect to the acquisition of the Portfolio. These statements generally can be identified by the use of forward-looking words such as "forecast", "may", "will", "expect", "estimate", "anticipate", "intend", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Dundee Industrial REIT and the Portfolio discussed herein could differ materially from those expressed or implied by such statements. See the risk factors in the public filings of Dundee Industrial REIT. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, the failure to receive any required approvals or consents in connection with the acquisition of the Portfolio or the failure to satisfy or waive any other condition to the acquisition of the Portfolio, the failure of Dundee Industrial REIT to realize expected benefits from the acquisition of the Portfolio, the performance of the Portfolio generally, changes in securities or other laws or regulations or the application thereof. The

cautionary statements qualify all forward-looking statements attributable to Dundee Industrial REIT and persons acting on its behalf. The assumptions made in making forward-looking statements are referred to in the public filings of Dundee Industrial REIT. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release. Except as required by applicable law, Dundee Industrial REIT specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

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