



DUNDEE INDUSTRIAL REIT EXECUTES ON STRATEGY, INCREASES DISTRIBUTION AND APPOINTS COO

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 19, 2013, DUNDEE INDUSTRIAL REIT (DIR.UN-TSX) today announced its financial results for the three months ended December 31, 2012.

YEAR-END HIGHLIGHTS

Leader in the industrial sector

- Dundee Industrial REIT has established itself as Canada's largest industrial REIT
- Balanced portfolio with overweight exposure in Alberta, Saskatchewan and Nova Scotia
- Poised for growth with national platform and cash on hand

Strong portfolio

- Nationally diversified 11.4 million SF portfolio with strong presence in key markets
- In-place rents 6% below estimated market rents
- 96.3% occupancy rate, well ahead of national average
- Multi-tenant properties account for 61% of GLA

Financial results in line with expectations

- Funds from operations of \$8.5 million or \$0.22 per unit
- Adjusted funds from operations of \$6.5 million, or \$0.17 per unit
- 54.3% debt-to-gross book value, 3.6 times interest coverage ratio

SELECTED FINANCIAL INFORMATION (unaudited) (\$000's except unit and per unit amounts)	Three Months Ended December 31, 2012
Investment properties revenue	\$ 17,202
Net operating income ("NOI") ⁽¹⁾	12,535
Funds from operations ("FFO") ⁽¹⁾	8,452
Adjusted funds from operations ("AFFO") ⁽¹⁾	6,492
Investment properties value	1,147,410
Debt	649,845
Per unit data (basic)	
FFO	0.22
AFFO	0.17
Distributions	0.16
Units (period end)	
REIT Units	36,257,538
LP Class B Units, Series 1	16,198,747
Total number of units	52,456,285
Portfolio gross leasable area (sq. ft.)	11,438,195
Occupied and committed space	96.3%

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"Very quickly after completing the IPO, we sourced a variety of acquisition opportunities that reinforced the investment merits of Dundee Industrial. We are excited about the consolidation opportunities in the industrial sector and look forward to building on our national platform," said Michael Cooper, Chairman of Dundee Industrial REIT's Executive Committee.

FINANCIAL HIGHLIGHTS

- **Financial results are in-line with expectations** – For the three months ended December 31, 2012, net operating income was \$12.5 million; funds from operations was \$8.5 million, or \$0.22 per unit; and, adjusted funds from operations was \$6.5 million, or \$0.17 per unit.
- **2.5 cent increase to annualized distribution rate** – The Trust also announced that the Board of Trustees has approved an increase to Dundee Industrial's annualized distributions to \$0.70 per unit, an increase of 3.7%, or 2.5 cents, from the previous distribution of \$0.675 per unit on an annualized basis, commencing with the April 30, 2013 record date.

ACQUISITION ACTIVITY

The Trust has executed on strategic acquisitions that allowed it to quickly demonstrate its ability to meet key IPO deliverables, including uncovering opportunities for consolidation within the industrial sector, becoming the clear sector leader through sourcing accretive acquisitions, growing and diversifying the portfolio to further strengthen the business and mitigate risk.

- On November 30, 2012, the Trust completed the acquisition of two properties, both located in the Greater Toronto Area, Ontario, totalling approximately 173,000 square feet for an aggregate purchase price of \$17.2 million, including transaction costs.
- On December 19, 2012, the Trust completed the acquisition of a portfolio of 79 light industrial properties for approximately \$498.5 million. The portfolio comprises approximately 5.3 million square feet of gross leasable area in four of Canada's largest and most significant industrial markets, including Calgary and Halifax, two attractive markets where investment product is very tightly held.

OPERATIONAL HIGHLIGHTS

- **Adding dedicated bench strength to the management team** – The Board of Trustees is pleased to announce that Randy Cameron has been appointed as Chief Operating Officer of Dundee Industrial REIT. Randy is currently the Senior Vice President, Western Canada for Dundee Realty Management Corp. He joined Dundee in 1998 and has an extensive history with many of Dundee Industrial REIT's assets. Prior to working for Dundee, Randy spent 14 years at Oxford Properties and five years at Lehnorff Properties. Altogether, Randy brings more than 30 years' experience in commercial property operations, leasing, acquisitions, development and accounting to his new position as COO.
- **Portfolio occupancy remains ahead of national industry average** – At December 31, 2012, the overall percentage of occupied and committed space across the Trust's portfolio was strong at 96.3%, well above the national industry average of 93.9%.
- **Leasing Profile** – Leasing activity during the period from October 4, 2012 to December 31, 2012 included approximately 27,100 square feet of new leases and approximately 102,300 square feet of renewals. At year-end, the Trust had approximately 512,000 square feet of vacant space, of which 84,000 square feet is committed for future occupancy. The average remaining lease term at December 31, 2012 is 5.4 years.
- **Average in-place rents 6% below market rents** – The portfolio average in-place rent was \$7.12 per square foot, approximately 6% below estimated market rents. The spread between in-place and estimate market rents represents an opportunity for the Trust to capture gains as new leasing is completed. The largest spread is in the Western Canada portfolio where the Trust has approximately 448,600 square feet of uncommitted contractual lease rollover in 2013.

	GLA (sq.ft.)	Occupancy (%)	Average lease term (years)	Average in-place rent (per sq.ft.)	Estimated market rent (per sq.ft.)
Western Canada	4,124,775	95.8	3.88	\$ 8.40	\$ 9.37
Central Canada	5,121,917	97.3	7.33	6.21	6.24
Eastern Canada	2,191,503	94.8	3.72	6.87	7.34
Total	11,438,195	96.3	5.41	\$ 7.12	\$ 7.57

CAPITAL STRUCTURE

- **New equity and convertible debt issues** - On December 13, 2012, the Trust completed a public offering and issued 13,570,000 Units at a price of \$10.60 per unit for gross proceeds of \$143.8 million. Concurrently, the Trust issued \$86.3 million aggregate principal amount of 5.25% convertible unsecured subordinated debentures due December 31, 2019, for aggregate gross proceeds of \$230.1 million. On December 19, 2012, the Trust issued an additional 2,358,491 Units at a price of \$10.60 per Unit and an additional \$25.0 million aggregate principal amount of 5.25% convertible unsecured subordinated debentures, to satisfy a portion of the purchase price for the KingSett Portfolio.
- **Financing activity** – On December 19, 2012, the Trust assumed \$147.9 million in mortgages, net of \$0.6 million of fair value adjustments, at a weighted-average face rate of 3.0%, and an average term to maturity of 3.1 years in connection with the acquisition of the KingSett Portfolio. The Trust also entered into a new portfolio mortgage of \$35.0 million for a term of five years and an interest rate of 3.46%. Subsequent to year-end, the Trust entered into two mortgages totalling \$99.0 million with an average 8.5-year term and an average interest rate of 3.8%, and repaid short term loans totalling \$84.5 million.

Key performance indicators	December 31, 2012
Financing activities⁽²⁾	
Average effective interest rate ⁽³⁾	3.72%
Level of debt (debt-to-gross book value) ⁽⁴⁾	54.3%
Interest coverage ratio ⁽⁵⁾	3.6 times
Debt — average term to maturity (years)	4.1

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CONFERENCE CALL

Senior management will host a conference call to discuss the results tomorrow, February 20, 2013 at 2:00 p.m. (ET). To access the call, please dial: 416-849-5525 or toll free at 1-866-200-6965 and using passcode 15932286#. A taped replay of the call will be available for 30 days by dialling 646-216-7204 or 1-866-206-0173 and using passcode 279200#. To access the conference call via webcast, please go to Dundee Industrial REIT's website at www.dundeeindustrial.com and, in the Downloads section, click on Calendar of Events. The webcast will be archived for 30 days.

Other information

Information appearing in this news release is a select summary of results. The consolidated financial statements and management's discussion and analysis for the Trust, as well as its Supplementary Information Package will be available at www.dundeeindustrial.com and on www.sedar.com.

Dundee Industrial REIT is an unincorporated, open-ended real estate investment trust. Dundee Industrial REIT owns a portfolio of 158 primarily light industrial properties comprising approximately 11.4 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 cash distributions to its unitholders. For more information, please visit www.dundeeindustrial.com.

FOOTNOTE

(1) NOI, 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.

(2) The key performance indicators include the results of operations for the period from July 20, 2012 to December 31, 2012.

(3) Average effective interest rate is calculated as the weighted average interest rate of all interest bearing debt.

(4) Level of debt is determined as total debt before deferred financing costs and mark-to-market adjustments, divided by total assets.

(5) The interest coverage ratio for the period, is calculated as net rental income plus interest and fee income, less general and administrative expenses, all divided by interest expense on debt.

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 Dundee REIT's control, which 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, general 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 general economy remains 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 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 REIT's filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dundee REIT's website at www.dundeereit.com.

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