



DUNDEE INDUSTRIAL REIT TO OFFER TO ACQUIRE C2C INDUSTRIAL PROPERTIES INC. IN FRIENDLY TRANSACTION

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Key Transaction Highlights

- Exchange rate represents an Offer price of \$4.85 per C2C Share
- Offer price represents a premium of approximately 30.7% to the volume-weighted average trading price of the C2C Shares on the TSX Venture over the 10 trading days ended March 18, 2013
- Offer provides compelling value for C2C Shareholders with ownership in a large national industrial portfolio and an opportunity to participate in further upside in Dundee Industrial REIT
- The transaction is immediately accretive to Dundee Industrial REIT
- For Dundee REIT, this transaction adds a complementary portfolio totalling more than 2.5 million square feet of gross leasable area, reduces Dundee Industrial REIT's exposure to any one tenant, region or industry sector and further solidifies its position as Canada's largest national industrial REIT
- Offer has received unanimous approval by the Board of Directors of C2C and the Board of Trustees of Dundee Industrial REIT
- All Directors and senior management, and certain key shareholders, of C2C have entered into lock-up agreements pursuant to which they have agreed to tender their securities to the Offer

TORONTO, MARCH 19, 2013 DUNDEE INDUSTRIAL REIT (TSX: DIR.UN) AND C2C INDUSTRIAL PROPERTIES INC. (TSX VENTURE: CCH) today jointly announced that they have entered into a support agreement pursuant to which Dundee Industrial REIT has agreed to make an offer to acquire all of the issued and outstanding shares (the "C2C Shares ") of C2C Industrial Properties Inc. ("C2C") in exchange for units of Dundee Industrial REIT (the "Offer"). C2C Shareholders will receive 0.4485 Dundee Industrial REIT units for each C2C Share, representing an Offer price of \$4.85 per C2C Share based on the volume-weighted average trading price of the Dundee Industrial REIT units on the TSX over the 10 trading days ended March 18, 2013. Based on an Offer price of \$4.85 per C2C Share, C2C is valued at approximately \$226 million.

The C2C Portfolio comprises 2.5 million square feet of gross leasable area located primarily in Halifax, Edmonton, Greater Toronto Area and Greater Montreal Area, including an attractive portfolio of properties and land in the strong Halifax market.

"The C2C Portfolio is an ideal strategic fit within our current portfolio and meets our strategic objectives of investing in Canada's largest industrial markets, growing cashflows for our unitholders, and making our company safer by further reducing our exposure to any one tenant, region or industry sector," said Scott Hayes, President and Chief Executive Officer, Dundee Industrial REIT.

The C2C Portfolio complements the REIT's existing assets in terms of asset type and quality, as well as other key portfolio metrics. The Portfolio has a current occupancy rate of 96%, a weighted average lease term of approximately 3.7 years and an average in-place rent of \$5.65 per square foot.

	Gross leasable area (sq. ft.)			Geographic distribution of NOI		
	Current Portfolio	C2C Portfolio	Pro forma	Current Portfolio	C2C Portfolio	Pro forma
Atlantic Canada	2,191,503	619,876	2,811,379	18%	33%	21%
Quebec	3,204,516	528,508	3,733,024	24%	13%	22%
Ontario	1,917,401	1,211,822	3,129,223	15%	45%	19%
Saskatchewan	829,815	-	829,815	7%	-	6%
Alberta	3,277,555	168,251	3,445,806	35%	9%	31%
British Columbia	17,405	-	17,405	1%	-	1%
Total	11,438,195	2,528,457	13,966,652	100%	100%	100%

The pro forma impact of the acquisition on Dundee Industrial REIT's key portfolio metrics is detailed below:

Portfolio	Current portfolio	Pro forma the acquisition
Gross leasable area (square feet)	11.4 million	14.0 million
Number of properties	158	183
Average remaining lease term (years)	5.4	5.1
Average in-place rent (per square foot)	\$7.12	\$6.86
Average market rent (per square foot)	\$7.57	\$7.29
Average tenant size (square feet)	11,850	11,987
Number of tenants	910	1,120
NOI by Multi-tenant / Single-tenant	62% / 38%	67% / 33%
Occupancy rate (%)	96%	96%

Dundee expects that Year 1 NOI of the C2C Portfolio will be approximately \$14.3 million, resulting in a capitalization rate of 6.4%, excluding 4.7 acres of vacant land in Halifax. Including property management fee income, the capitalization rate increases to 6.7%. In addition, Dundee Industrial REIT will have the ability to grow its cashflow through development of new property on the vacant land.

Upon completion of the transaction, C2C Shareholders will own approximately 11% of Dundee Industrial REIT.

C2C has agreed not to solicit alternative proposals and has agreed to pay a break fee in the amount of \$4.0 million to Dundee Industrial REIT, in certain circumstances, if it enters into an agreement in respect of a superior proposal. C2C has also provided Dundee Industrial REIT with certain other customary rights, including a right to match competing offers.

The Offer will be subject to certain conditions typical for transactions of this nature, including that a minimum of 66 2/3% of the C2C Shares (on a fully diluted basis) are tendered to the Offer, customary regulatory approvals (including under the Competition Act) and required consents. There can be no assurance that all conditions to closing of the acquisition will be satisfied or waived.

Details regarding the support agreement between Dundee Industrial REIT and C2C are set out in the definitive support agreement dated March 19, 2013, which will be available on SEDAR at www.sedar.com.

Dundee Industrial REIT and C2C intend to mail Dundee Industrial REIT's take-over bid circular describing the terms of the Offer to C2C Shareholders concurrently with C2C's directors' circular to beneficial holders on or before April 5, 2013.

The proposed sale of C2C to Dundee Industrial REIT follows a review of strategic alternatives commenced by C2C in December 2012 in order to enhance shareholder value. "We are satisfied that the transaction with Dundee Industrial REIT results in the best value available to our shareholders," said David Wright, Chief Executive Officer of C2C and a member of its board of directors.

The C2C Board has unanimously determined that the Offer is fair to C2C Shareholders and is in the best interests of C2C and its shareholders and, accordingly, recommends that shareholders tender their C2C Shares to the Offer. The C2C Board has received an opinion from National Bank Financial Inc. that the consideration to be received under the Offer is fair, from a financial point of view, to C2C shareholders (the "Fairness Opinion"). A copy of the Fairness Opinion, the factors considered by the C2C Board and the special committee of the C2C Board in recommending that holders of C2C Shares tender their shares to the Offer and other relevant background material will be included in the directors' circular that will be sent to C2C shareholders concurrently with Dundee Industrial REIT's formal offer and takeover bid circular.

Each of the directors and senior management of C2C, as well as Alberta Investment Management Corp. and Sentry Investments Inc., key shareholders of C2C, who collectively beneficially own or control approximately 41% of the outstanding C2C Shares, have agreed to tender their securities to the Offer.

The Offer has been unanimously approved by the trustees of Dundee Industrial REIT.

GMP Securities L.P. acted as financial advisor to C2C. Bennett Jones LLP and Owens, Wright LLP acted as legal counsel to C2C. Osler, Hoskin & Harcourt LLP acted as legal counsel to Dundee Industrial REIT.

The Offer will not be made outside Canada. 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.

About Dundee Industrial REIT

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 distributions to its unitholders. For more information, please visit www.dundeeindustrial.com.

About C2C Industrial Properties Inc.

C2C is a real estate investment corporation specializing in the acquisition, ownership and operation of light industrial properties across Canada. C2C currently owns 25 industrial assets totaling approximately 2.5 million square feet of gross leasable area. For more information, please visit www.c2cip.com.

This press release contains forward-looking statements with respect to Dundee Industrial REIT and C2C and its operations, strategy, financial performance and financial condition, as well as with respect to the acquisition of the C2C 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 C2C 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 and C2C. 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 C2C Portfolio or the failure to satisfy or waive any other condition to the acquisition of the C2C Portfolio, the failure of Dundee Industrial REIT to realize expected benefits from the acquisition of the C2C Portfolio, the performance of the C2C 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 and C2C. 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 and C2C 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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