



DUNDEE INDUSTRIAL REIT TO ACQUIRE INDUSTRIAL PORTFOLIO FOR \$151.5 MILLION

TORONTO, APRIL 11, 2013 DUNDEE INDUSTRIAL REIT (TSX: DIR.UN) today announced that it has entered into an agreement with CanFirst Industrial Realty Fund III LP and CanFirst Industrial Realty Fund IV LP (“CanFirst”) to acquire a portfolio of 22 industrial properties (the “Portfolio”) for approximately \$151.5 million.

The CanFirst Portfolio comprises 1.6 million square feet of gross leaseable area wholly located across the Greater Toronto Area (“GTA”) in key industrial markets and along major transportation corridors providing direct highway access.

Highlights:

- **Further solidifies Dundee Industrial as market leader** – Upon completion of the acquisition of the Portfolio and the recently announced acquisition of C2C Industrial Properties Inc. (“C2C”), Dundee Industrial will own a nationally diversified portfolio totalling 15.6 million square feet of gross leaseable area, reinforcing its position as Canada’s largest industrial REIT.
- **Broadens Dundee Industrial’s exposure in the GTA** – The Portfolio comprises 1.6 million square feet of gross leaseable area located entirely within the GTA. The Portfolio will provide additional scale in the GTA and further enhances the REIT’s geographic and tenant diversification.
- **Immediately accretive** – The transaction is immediately accretive to the REIT. The Portfolio has a year-one capitalization rate of 6.5%. Including property management fee income, the capitalization rate increases to 6.7%.

The CanFirst 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 in-place occupancy rate of 96%, a weighted average lease term of approximately 3.7 years and an average in-place rent of \$5.83 per square foot.

	Gross leaseable area (sq. ft.)				Geographic distribution of NOI	
	Current Portfolio	C2C Portfolio	CanFirst Portfolio	Pro forma	Current Portfolio	Pro forma C2C & CanFirst
Atlantic Canada	2,191,503	619,876	-	2,811,379	18%	19%
Quebec	3,204,516	528,508	-	3,733,024	24%	20%
Ontario	1,917,401	1,211,822	1,625,814	4,755,037	15%	27%
Saskatchewan	829,815	-	-	829,815	7%	5%
Alberta	3,277,555	168,251	-	3,445,806	35%	28%
British Columbia	17,405	-	-	17,405	1%	1%
Total	11,438,195	2,528,457	1,625,814	15,592,466	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 C2C Portfolio	Pro forma C2C & CanFirst
Gross leaseable area (square feet)	11.4 million	14.0 million	15.6 million
Number of properties	158	183	205
Average remaining lease term (years)	5.4	5.1	5.0
Average in-place rent (per square foot)	\$7.12	\$6.86	\$6.75
Average market rent (per square foot)	\$7.57	\$7.29	\$7.15
Average tenant size (square feet)	11,850	11,987	12,077
Number of tenants	910	1,120	1,240
NOI by Multi-tenant / Single-tenant	62% / 38%	67% / 33%	66% / 34%
Occupancy rate (%)	96%	96%	96%

Dundee Industrial will acquire the Portfolio for a purchase price of approximately \$151.5 million, equating to a value of approximately \$93/square foot. Year 1 NOI is expected to be \$9.9 million, resulting in a capitalization rate of 6.5%. Including property management income, the capitalization rate increases to 6.7%.

The acquisition will be financed with:

- \$93.5 million in cash from the Equity Issue that closed last March 6;
- The assumption of \$61.7 million existing mortgage debt, with an average term of 1.9 years. The effective interest rate on the assumed debt is 3.1% after giving effect to the vendors' buy down of existing rates.

Subsequent to both the CanFirst and C2C acquisition, the REIT will have approximately \$15 million of cash on hand, an undrawn operating facility of \$50 million and operate at a debt level of 54% (45% excluding convertible debentures).

The acquisition is subject to certain closing conditions typical for transactions of this type, including lender consents. The acquisition is scheduled to close by the end of April.

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.

This press release contains forward-looking statements with respect to Dundee Industrial 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 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 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 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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