

## DUNDEE INDUSTRIAL REIT ANNOUNCES SOLID FINANCIAL RESULTS AND COMPLETION OF FIRST YEAR OF OPERATIONS

*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, NOVEMBER 4, 2013, DUNDEE INDUSTRIAL REIT (DIR.UN-TSX)** today announced its financial results for the three and nine months ended September 30, 2013.

### HIGHLIGHTS

- **Completion of First Year of Operations** – Since its initial public offering (“IPO”) on October 4, 2012, the Trust has grown from 6.1 million square feet to 15.7 million square feet, establishing its market presence and its leasing, property management and operating platforms.
- **Growth in Adjusted Funds From Operations (“AFFO”) since IPO of 12% per unit** – During the three months ended September 30, 2013, which was the REIT’s first full quarter at its current size, AFFO was 19 cents per unit compared to 17 cents in the three months ended December 31, 2012.
- **Occupancy remains strong at 95.1%** – The Trust completed leasing on 543,000 square feet reflecting a tenant renewal ratio of 71%, including new leasing transactions of 129,000 square feet and including an increase in space committed for future occupancy of 63,000 square feet.
- **Maintained a strong and stable capital structure** – Leverage has decreased slightly from the prior quarter to 52.5% with interest coverage of 2.9 times and a weighted average term to maturity on debt of 4.4 years.
- **Continued opportunities for rent growth** – Estimated market rental rates exceed in place rents by approximately 7%.

SELECTED FINANCIAL INFORMATION (unaudited) (\$000's except unit and per unit amounts)	Three Months Ended		Nine Months Ended
	September 30, 2013	June 30, 2013	September 30, 2013
Investment properties revenue	\$ 37,842	\$ 34,703	\$ 101,795
Net operating income (“NOI”) <sup>(1)</sup>	27,221	24,754	71,867
Funds from operations (“FFO”) <sup>(1)</sup>	17,126	15,572	44,691
Adjusted funds from operations (“AFFO”) <sup>(1)</sup>	13,729	12,530	35,534
Investment properties value	1,536,125	1,532,034	1,536,125
Debt	838,151	845,652	838,151
<b>Per unit data (basic)</b>			
FFO	\$ 0.24	\$ 0.23	\$ 0.69
AFFO	0.19	0.19	0.55
Distributions	0.17	0.17	0.51
FFO payout ratio (%)	72.3%	73.0%	74.1%
AFFO payout ratio (%)	90.2%	90.9%	93.4%
<b>Units (period end)</b>			
REIT Units	54,784,387	54,289,786	54,784,387
LP Class B Units, Series 1	16,282,096	16,282,096	16,282,096
<b>Total number of units</b>	<b>71,066,483</b>	<b>70,571,882</b>	<b>71,066,483</b>
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Portfolio gross leasable area (sq. ft.)	15,661,717	15,659,340	15,661,717
Occupied and committed space	95.1%	95.8%	95.1%

*See footnotes on page 3*

“It has been just over a year since our IPO and in our first year we have established a solid leasing and operational platform to manage our significant growth,” said Randy Cameron, President and CEO, Dundee Industrial REIT. “We are pleased with the Trust’s financial performance, which is approximately 6% above our IPO forecast and 12% above our first quarter after the IPO,” said Mr. Cameron

## FINANCIAL HIGHLIGHTS

Q3 2013 includes a full three months of operations from the CanFirst and C2C Portfolios acquired in April and May of 2013, respectively. The results are in line with management's expectations.

- **Stable AFFO per unit** – AFFO for the quarter was \$13.7 million, representing an increase of \$1.2 million, or 9.6%, over the second quarter. On a per unit basis, AFFO was 19.4 cents compared to 18.7 cents in Q2. AFFO per unit was positively affected by approximately 1 cent from the inclusion of a full quarter of operations from the CanFirst and C2C Portfolios, including the deployment of cash from the March 2013 equity offering, partially offset by the effect of certain previously announced vacancies which decreased AFFO by approximately 0.3 cents per unit.
- **Increase in FFO per unit** – Q3 2013 FFO was \$17.1 million, representing an increase of \$1.6 million over the second quarter. FFO per unit was 24 cents, up 1 cent over Q2 2013. The increase in FFO per unit results primarily from the same factors affecting AFFO per unit.
- **10.0% increase in NOI** – Q3 2013 NOI was \$27.2 million, representing an increase of \$2.5 million, or 10.0%, over the second quarter, primarily due to the full quarter of results from the acquisitions completed during Q2, partially offset by the previously announced vacancies.

## OPERATIONAL HIGHLIGHTS

- **Leasing Profile** – Leasing activity during the third quarter included 129,000 square feet of new leases and 351,000 square feet of renewals and a net increase in committed space for future occupancy of 63,000 square feet, compared to 494,000 square feet of expiries and 154,000 square feet of early terminations, including the previously announced vacancy of a 115,000 square foot single tenant building in Montreal. At period-end, the Trust had 920,000 square feet of vacant space, of which 153,000 square feet is committed for future occupancy. The average remaining lease term at September 30, 2013 is 4.8 years.
- **Portfolio occupancy at 95.1%** – Excluding the effect of the previously announced vacancy of a 115,000 square foot single tenant building in Montreal, overall occupancy (including committed space) was stable.
- **Estimated market rents 7% above average in-place rents** – At quarter-end, estimated market rents were approximately 7% above the Trust's current average in-place rental rate of \$6.89 per square foot (June 30, 2013 - \$6.90). In-place rent at quarter-end reflects the renewal of a 74,000 square foot tenant in a single tenant building in Windsor, Ontario at \$4.50 per square foot. Excluding this renewal as well as the departure of the 115,000 square foot tenant in Montréal, in-place rent increased to \$6.93 per square foot. The 7% difference between in-place and market rent provides the Trust with opportunities for rental rate growth.

	GLA (sq. ft.)	Occupancy (%)	Average lease term (years)	Average in-place rent (per sq. ft.)	Estimated market rent (per sq. ft.)
Western Canada	4.3 million	94.7	4.36	\$ 8.54	\$ 9.72
Central Canada	8.6 million	95.6	5.31	6.03	6.17
Eastern Canada	2.8 million	94.2	3.68	7.04	7.44
Total	15.7 million	95.1	4.76	\$ 6.89	\$ 7.36

## CAPITAL STRUCTURE

The Trust's capital structure remained stable during the quarter, with leverage at a conservative 52.5% and interest coverage of 2.9 times.

Key performance indicators <sup>(2)</sup>	September 30, 2013	June 30, 2013
Level of debt (debt-to-total assets) <sup>(3)</sup>	52.5%	53.0%
Interest coverage ratio <sup>(4)</sup>	2.9 times	2.9 times
Average face interest rate on all debt	4.18%	4.19%
Debt — average term to maturity (years)	4.4	4.5

See footnotes on page 3

## **OUTLOOK**

After a year of operations, management has solidified Dundee Industrial REIT's size and presence in key markets, strengthening the platform and achieving financial results that outperformed its IPO forecast. With acquisitions completed year-to-date, the Trust now owns a nationally diversified portfolio totalling 15.7 million square feet of gross leasable area which is generating solid operating performance.

Management remains opportunistic with respect to sourcing acquisitions that meet its criteria; however, at this time, management is not seeing significant opportunities in the Trust's target markets that would be materially accretive to key operating metrics.

For the remainder of 2013, management will remain focused on enhancing the manner in which it operates its assets and manages its human capital, while instituting best practices and strengthening relationships with its tenants.

## **CONFERENCE CALL**

Senior management will host a conference call to discuss the results tomorrow, November 5, 2013 at 9:00 a.m. (ET). To access the call, please dial: (647) 317-3471 or toll free at 1-866-551-3680 and using passcode 94307157#. A taped replay of the call will be available for 90 days. To access the conference call via webcast, please go to Dundee Industrial REIT's website at [www.dundeeindustrial.com](http://www.dundeeindustrial.com) and, in the Investor Centre, click on Calendar of Events. The webcast will be archived for 90 days.

## **Other information**

Information appearing in this news release is a select summary of results. The condensed 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](http://www.dundeeindustrial.com) and on [www.sedar.com](http://www.sedar.com).

Dundee Industrial REIT is an unincorporated, open-ended real estate investment trust. Dundee Industrial REIT owns a portfolio of 206 primarily light industrial properties comprising approximately 15.7 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](http://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 1, 2013 to September, 30, 2013.

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

(4) The interest coverage ratio for the period, is calculated as net rental income plus interest and fee income, less general and administrative expenses, plus deferred unit compensation expense, all divided by interest expense on debt, excluding deferred financing and mark-to-market adjustments.

## **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 Industrial 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 Industrial 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 Industrial REIT's filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dundee Industrial REIT's website at [www.dundeeindustrial.com](http://www.dundeeindustrial.com).*

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