



## **DUNDEE REIT TO SELL INDUSTRIAL PORTFOLIO THROUGH AN IPO OF DUNDEE INDUSTRIAL REIT**

**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES**

**TORONTO, AUGUST 17, 2012 DUNDEE REIT (TSX:D.UN)** today announced that it intends to sell its industrial properties to Dundee Industrial Real Estate Investment Trust (“Dundee Industrial REIT”), a newly formed real estate investment trust, which intends to file today a preliminary prospectus in respect of its initial public offering in all Provinces of Canada. The portfolio consists of 86 light industrial properties comprising 6.6 million square feet of gross leasable area located in key industrial markets across Canada that are currently owned or co-owned by Dundee REIT.

### **Overview:**

- The industrial properties will be sold in a series of transactions in consideration for cash, to be derived principally from the proceeds of Dundee Industrial REIT’s initial public offering and drawing on an operating line of credit that will be in place on closing, the assumption of debt and the issuance of limited partnership units which will be exchangeable for units of Dundee Industrial REIT.
- The purchase price for the portfolio of industrial properties acquired from Dundee REIT will be determined in connection with the pricing of the initial public offering of Dundee Industrial REIT.
- Following closing, Dundee Properties Limited Partnership and its subsidiaries are expected to own a significant interest in Dundee Industrial REIT of not more than 50%.
- Included in the portfolio are 16 properties that are currently co-owned with certain limited partnerships that are affiliates of Return on Innovation Capital Ltd. Concurrently with the completion of the initial public offering, a subsidiary of Dundee Industrial REIT will also acquire the co-ownership interests in the 16 properties for approximately \$158.8 million, to be satisfied by a combination of cash and the assumption of debt. The purchase is conditional on completion of the initial public offering of Dundee Industrial REIT.
- The units of Dundee Industrial REIT will be offered to the public through a syndicate of underwriters led by TD Securities Inc. Concurrently with the closing of the initial public offering, Dundee Corporation will invest \$21.0 million and Michael J. Cooper will invest \$9.0 million in Dundee Industrial REIT at the offering price.
- The board of trustees of Dundee REIT formed a committee of independent trustees to oversee and make recommendations to the board of trustees with respect to the sale of Dundee REIT’s portfolio of industrial properties to Dundee Industrial REIT.
- Scott Hayes will be the President and Chief Executive Officer and Mario Barrafato will be the Chief Financial Officer of Dundee Industrial REIT.

Dundee REIT believes that the sale of the industrial properties portfolio through the initial public offering by Dundee Industrial REIT will provide Dundee REIT with an attractive purchase price for its industrial properties portfolio and complete its previously announced transformation into a pure-play office REIT. By retaining an ownership interest in Dundee Industrial REIT, Dundee REIT will continue to benefit from the strength of this sector and participate in growth opportunities that arise from the operation of a dedicated industrial REIT.

On closing, Dundee Industrial REIT will be the largest real estate investment trust in Canada to focus primarily on industrial real estate assets. With scale and a national platform, the dedicated entity is well-positioned to capitalize on growth and consolidation opportunities in the industrial market where property ownership is fragmented. Dundee Industrial REIT will have a dedicated property management team and will benefit from the proven track record of Dundee Realty Corporation, which will be its asset manager.

Completion of the sale transaction, including the initial public offering of Dundee Industrial REIT, is subject to the satisfaction of a number of conditions, including the receipt of all applicable regulatory approvals.

An electronic copy of the preliminary prospectus will be available under Dundee Industrial REIT's profile at [www.sedar.com](http://www.sedar.com).

This press release is not an offer of securities for sale in the United States. The units 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 REIT**

Dundee REIT is an unincorporated, open-ended real estate investment trust. Dundee REIT is focused on owning, acquiring, leasing and managing well-located, high-quality central business district and suburban office properties. Its portfolio currently comprises approximately 27.6 million square feet of gross leasable area in major urban centres across Canada. Dundee REIT's portfolio is well diversified by geographic location and tenant mix. For more information, please visit [www.dundeereit.com](http://www.dundeereit.com).

### **Dundee Industrial REIT**

Dundee Industrial REIT is an unincorporated, open-ended real estate investment trust. Dundee Industrial REIT will own an initial portfolio of primarily light industrial properties comprising approximately 6.6 million square feet of gross leasable area located 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.

*This press release may contain forward-looking statements with respect to Dundee REIT and its operations, strategy, financial performance and financial condition. These statements generally can be identified by the use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intend", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Dundee REIT discussed herein could differ materially from those expressed or implied by such statements. 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; the state of the capital markets, including the ability of Dundee REIT and Dundee Industrial REIT to price the sale transaction and the initial public offering on satisfactory terms; the satisfaction of conditions to the sale transaction, the acquisition of the co-ownership interests and the initial public offering, including receipt of requisite approvals; competition; changes in securities or other laws or regulations or the application thereof; and the factors described under "Risk Factors" in the Annual Information Form of Dundee REIT, as applicable. The cautionary statements qualify all forward-looking statements attributable to Dundee REIT and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release. Except as required by applicable law, Dundee 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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