

Partners REIT Announces \$30,000,000 Bought Deal Financing and New \$20,000,000 Credit Facility

FOR IMMEDIATE RELEASE

Victoria, BC, August 15, 2012

Partners Real Estate Investment Trust (the "REIT" or "Partners REIT") (TSX:PAR.UN)(TSX:PAR.DB) is pleased to announce a bought deal financing and new credit facility.

The Offering

Partners REIT today announced that it has reached an agreement with a syndicate of underwriters (the "Underwriters") led by National Bank Financial Inc., Scotiabank, and Canaccord Genuity Corp., with National Bank Financial Inc. and Scotiabank acting as joint bookrunners, and including CIBC World Markets Inc., RBC Dominion Securities, TD Securities Inc., Macquarie Capital Markets Canada Ltd., Raymond James Ltd. and M Partners Inc. to issue \$30 million of convertible unsecured subordinated debentures (the "Debentures") on a bought deal basis (the "Offering"). The REIT has also granted the Underwriters an over-allotment option exercisable at any time up to the date that is 30 days from the date of closing of the Offering to offer for sale up to an additional \$4,500,000 aggregate principal amount of Debentures on the same terms and conditions (the "Over Allotment Option").

The Debentures have a maturity date of September 30, 2017. The Debentures have a coupon of 6.00% per annum and will pay interest semi-annually in arrears on March 31 and September 30 in each year commencing on March 31, 2013. Each \$1,000 principal amount of Debenture is convertible into approximately 96.618 units of the REIT, at any time, at the option of the holder, representing a conversion price of \$10.35 per unit.

Partners REIT will use the net proceeds from the Offering to fund future acquisitions, to repay existing debt, and for general trust purposes.

The terms of the Offering will be described in a preliminary short form prospectus to be filed with Canadian securities regulators on or about August 21, 2012. The Offering is expected to close on or about September 5, 2012, and is subject to certain conditions including, but not limited to, the receipt of all regulatory approvals including the approval of the TSX and securities regulatory authorities. This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction. The Debentures will not be

registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The Credit Facility

Partners REIT is also pleased to announce that it has entered into a \$20,000,000 revolving credit facility (the "Facility") with a Canadian Chartered Bank, subject to documentation. The Facility is renewable annually. The Facility provides the REIT with attractive financing and greater financial flexibility to execute on its business plan going forward.

About Partners REIT

Partners REIT is a growth-oriented real estate investment trust, which currently owns (directly or indirectly) 30 retail properties located in British Columbia, Alberta, Ontario, Manitoba and Quebec, aggregating approximately 2.2 million square feet of leaseable space. Partners REIT focuses on expanding and managing a portfolio of retail and mixed-use community and neighbourhood shopping centres located in both primary and secondary markets across Canada.

Certain statements included in this press release constitute forward-looking statements, including, but not limited to, those identified by the expressions "expect," "will" and similar expressions to the extent they relate to Partners REIT. The forward-looking statements are not historical facts but reflect Partners REIT's current expectations regarding future results or events. These forward looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the timing of the offering, success of the offering, listing of the units, use of proceeds of the Offering, access to capital, regulatory approvals, intended acquisitions and general economic and industry conditions. Although Partners REIT believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein.

For further information:

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