



Partners Real Estate Investment Trust Independent Trustees Outline Reasons Why Management Must Be Internalized

Toronto, ON – May 16, 2013 -- Partners Real Estate Investment (Partners) (TSX:PAR.UN) is urging unitholders to reject the gold proxy and vote in favour of the clear and long-term vision proposed by the current independent trustees by voting their **BLUE** proxy.

As announced on May 2, 2013, Partners terminated the management agreement between LAPP Global Asset Management Corp. (External Manager) which is a wholly-owned subsidiary of IGW, effective the close of business on November 1, 2013. As the result, IGW has decided to propose its own slate of nominees in an attempt to retain the management fees paid to it through the External Manager by Partners.

In a letter to unitholders ahead of the Partners' annual meeting on June 6, 2013, Partners' independent trustees outlined the conflicts of interest that the recently terminated External Manager has been engaged in. The letter exposes IGW Public Limited Partnership (IGW), the entity that controls the External Manager, for trying to take over the board of trustees for its own benefit. The letter also sets out the reasons why the Independent Trustees are of the view that Adam Gant and his associates have put the interests of entities controlled or managed by them, including League Asset Corp., the External Manager and its parent (the dissident shareholder) ahead of your REIT on numerous occasions only to be stopped by the Independent Trustees. The Independent Trustees believe that the best way to protect your REIT is to internalize management and bring in a strong, devoted, credible internalize management team that will protect your capital.

"Your independent trustees have played a significant role in the supervision and direction of the External Manager", the letter stated. "Without the unusually high level of activity and detailed oversight exercised by the independent trustees, the performance of the REIT would not have been as good."

The letter announces that John van Hasstrecht, a trustee of Partners since 2007 has been chosen to lead the transition. Partners explains that the nominees up for re-election have the experience and knowledge needed to continue the sustainable long-term growth of Partners – a vision that is not shared by IGW. It goes on to say that, "Lowering external management costs and growing your REIT with your independent trustees is the best choice for protecting your interests and distributions."

In the letter Partners states the benefits of internalizing management:

- Having a high quality management team focused ONLY on enhancing unit value;
- Improved management and governance of Partners;
- Elimination of the many conflicts of interest between the External Manager and Partners; and
- Reducing the cost of managing the REIT.

Attention Partners Unitholders:

**Partners unitholders are urged to protect their investment by voting the BLUE proxy.
The voting deadline is 2:30pm (Toronto time) on Tuesday, June 4, 2013.**

If you have voted a gold proxy, you can still change your vote, simply by voting your BLUE proxy today. Your subsequent later dated BLUE proxy will replace any prior dated gold proxy you may have voted. The full text of the letter can be found on www.sedar.com.

Unitholders who do not have a BLUE proxy or who have questions about voting their proxy for the upcoming meeting of unitholders should contact Kingsdale Shareholder Services Inc. toll-free at 1-888-518-1565 or contactus@kingsdaleshareholder.com.

About Partners REIT

Partners REIT is a growth-oriented real estate investment trust, which currently owns (directly or indirectly) thirty-eight retail properties, well-located in British Columbia, Alberta, Manitoba, Ontario and Quebec, aggregating approximately 2.7 million square feet of leasable 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.

Contacts:

David Mills
Mills Investor Relations
416-805-7721

Grant Hughes, Senior Vice President, Operations
Kingsdale Shareholder Services Inc.
416-867-2431