

Partners Real Estate Investment Trust (TSX-V: CRH.UN) announces first quarter 2010 financial results

TORONTO, ONTARIO-- Partners Real Estate Investment Trust ("Partners REIT") is pleased to announce its financial results for the quarter ended March 31, 2010.

Highlights

- Partners REIT continues its goal of trying to generate organic growth through redevelopment and re-leasing activities at its existing centres. The redevelopment of its Châteauguay property, through the replacement of a 15,000 square foot cinema tenant with an 18,138 square foot Pharmaprix (Shoppers Drug Mart) store for a 15 year term, was completed in the first quarter of 2010 with Pharmaprix opening its doors in early March.
- Despite the leasing success at the Châteauguay property, overall occupancy for Partners REIT at the end of the quarter was 92.0%, down from 95.1% at year end. The reduced occupancy was mainly due to (i) an 18,573 square foot local dollar store operator vacating its premises in February 2010 at the Méga Centre, (ii) the expiry on March 31, 2010 of a retail tenant occupying 12,012 square feet at the Châteauguay property and (iii) the inability to lease the vacant SAAN space at Place Val Est (23,000 square feet).

Financial highlights

- Partners REIT recorded funds from operations ("FFO") of \$705,058 or \$0.04 per unit basic and diluted for the quarter ended March 31, 2010, a decrease of 41.9% from the quarter ended March 31, 2009. The decrease mainly relates to a decrease in net operating income.
- Partners REIT recorded net operating income ("NOI") and same-property NOI of \$2,417,950 for the quarter ended March 31, 2010, a 13.4% decrease from the \$2,794,806 recorded for the quarter ended March 31, 2009. NOI was negatively impacted by the high vacancy rate at Place Val Est, as well as the recent vacancy and a tenant underperformance at the Méga Centre property where NOI dropped by almost 18% compared to the prior year. At Cornwall Square, NOI decreased compared to the prior year as a result of new accounting standards implemented in 2009 that caused a one-time adjustment to recoveries recorded in the prior year. Finally, NOI was negatively impacted at the Châteauguay property on a year over year basis as a result of construction of the Pharmaprix store through most of the first quarter. The second quarter will see the full positive impact on NOI of this deal.

- Partners REIT had a net loss of \$797,906 or \$0.04 per unit basic and diluted for the quarter ended March 31, 2010 (for the quarter ended March 31, 2009 – net loss of \$194,715 or \$0.01 per unit basic and diluted).

Outlook

Partners REIT has made good progress on its leasing and redevelopment initiatives at its Châteauguay property and for 2010, this focus will continue at its other properties as well. In particular, Partners REIT's goal will be to lease vacant space and strengthen the tenant mix with a focus on more stable national and regional tenants, as local tenants have struggled to survive in today's economic conditions and have disproportionately contributed to declines in Partners REIT's NOI. As well, Partners REIT has been actively looking for alternative ways to grow its asset base, especially in light of Partners REIT's major unitholder engaging in a strategic review process. This will be an ongoing key focus for Partners REIT in 2010.

2010 Q1 financial results

For the complete first quarter 2010 Management's Discussion and Analysis and Financial Statements, please visit www.sedar.com or www.partnersreit.com.

Partners REIT

Partners Real Estate Investment Trust is an open ended real estate investment trust established under the laws of the Province of Ontario. Partners REIT is focused on acquiring and managing a portfolio of retail and mixed-use retail community and neighbourhood centres, generally in the mid-market deal size range of \$10 to \$40 million, comprised of stable cash flow and value-add properties from both primary and secondary markets throughout Canada. Partners REIT's principal goal is to generate a reliable and growing yield for investors. Partners REIT currently owns ten retail properties located in Ontario and Quebec.

More information

Floriana Cipollone,
Chief Financial Officer
Telephone: (416) 364-5705,
Facsimile: (416) 861-8166

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

This press release contains forward-looking statements. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are based on a number of assumptions which may prove to be incorrect. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, local real estate conditions, including the development of properties in close proximity to Partners REIT's properties,

competition, changes in government regulation, dependence on tenants, financial conditions, interest rates, the availability of equity and debt financing, environmental and tax-related matters, reliance on the Manager, potential conflicts of interest and reliance on key personnel. The cautionary statements qualify all forward-looking statements attributable to Partners REIT and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release.