

# Partners Real Estate Investment Trust (TSX-V: CRH.UN) announces 2008 financial results

**TORONTO:** Partners Real Estate Investment Trust (“Partners REIT”) is pleased to announce its financial results for the year ended December 31, 2008.

**Highlights:** During the year, Partners REIT:

- acquired four properties: during the third quarter acquired a portfolio of three Canadian Tire properties in Brockville, Strathroy and Wasaga Beach, Ontario for an aggregate purchase price of \$27,250,000 which total 192,295 square feet of rentable area; during the first quarter acquired Place Val Est in Sudbury, a 110,313 square foot grocery anchored retail strip centre for an aggregate purchase price of \$14,720,000, bringing total assets acquired to approximately \$139,000,000 since January 1, 2007;
- in conjunction with the Canadian Tire portfolio acquisition, raised \$10,000,000 by way of corporate secured debt;
- as a prudent action given current difficult market conditions, reduced annual distributions to \$0.16 per unit from \$0.3104 per unit in order to provide unitholders with a more stable distribution yield going forward, while at the same time putting Partners REIT in a stronger financial position that will enable it to pursue its business plans in the future, subject to market conditions; the new distribution level of \$0.16 per unit annually represents a payout ratio of approximately 76% based on the REIT’s funds from operations of \$0.21 per unit for the year ended December 31, 2008.
- has a balance sheet that remains strong, with a debt-to-gross book value ratio of 63.5%;
- instituted a normal course issuer bid as a result of the fact that Partners REIT’s units are trading in a price range which does not adequately reflect the value of its units;
- established a Distribution Reinvestment and Optional Unit Purchase Plan, which currently has approximately 28% participation by existing unitholders, saving Partners REIT significant cash in terms of its monthly distributions; and
- had an average occupancy rate for the portfolio of 95.9%, compared to 96.0% at the end of the third quarter.

**Financial highlights:**

- As of December 31, 2008, Partners REIT’s total assets increased to \$138,258,557 (December 31, 2007 – \$99,576,433), reflecting the acquisitions of the Canadian Tire properties and Place Val Est in 2008.
- For the quarter ended December 31, 2008, Partners REIT recorded net operating income from its properties of \$3,002,190, representing a 25% increase from the quarter ended

September 30, 2008 of \$2,405,877 and a 77% increase from the quarter ended December 31, 2007 of \$1,693,610.

- Same property net operating income for the quarter ended December 31, 2008 was 7% higher at \$3,002,190, compared to \$2,793,672 for the quarter ended September 30, 2008.
- Same property net operating income for the quarter ended December 31, 2008 was 13% higher than that recorded for the quarter ended December 31, 2007.
- Same property net operating income was 3% higher for the year ended December 31, 2008 compared to the year ended December 31, 2007.
- For the quarter ended December 31, 2008, Partners REIT had a net loss of \$261,351 or \$0.01 per unit basic and diluted (for the quarter ended September 30, 2008, net loss was \$340,859 or \$0.02 per unit basic and diluted and for the quarter ended December 31, 2007, net loss was \$290,031 or \$0.02 per unit basic and diluted). The net loss improved in the fourth quarter of 2008 compared to the third quarter of 2008 predominantly due to the full quarter impact of the operating results from the Canadian Tire portfolio, net of financing expense, which was acquired during the latter part of the third quarter. The fourth quarter 2008 net loss improved marginally compared to the fourth quarter of 2007 mainly as a result of the property acquisitions which occurred during 2008, partly offset by an increase in general and administrative expenses in the fourth quarter of 2008.
- For the year ended December 31, 2008, Partners REIT had a net loss of \$1,301,427 or \$0.07 per unit basic and diluted compared to a net loss of \$3,042,085 or \$0.38 per unit basic and diluted for the year ended December 31, 2007. The improvement in the net loss was mainly due to operating income being derived from the property acquisitions completed in 2008, the full year operating impact of the 2007 property acquisitions completed and \$1,228,274 of corporate transaction costs incurred during 2007.
- For the quarter ended December 31, 2008, Partners REIT's funds from operations ("FFO") were \$1,135,227 or \$0.06 per unit basic and diluted, an increase of 20.0% from the quarter ended September 30, 2008 of \$948,769 or \$0.05 per unit basic and diluted and an increase of 68.0% from the quarter ended December 31, 2007 of \$676,304 or \$0.04 per unit basic and diluted. FFO for the quarter ended December 31, 2008 increased by \$186,458 compared to the quarter ended September 30, 2008. The increase is predominantly due to the full quarter impact from the Canadian Tire properties (net of financing costs) in the amount of approximately \$75,000 since these properties were acquired during the latter part of the third quarter of 2008, as well as a one-time increase in tenant recoveries recorded in the fourth quarter of 2008 by Cornwall Square in the amount of \$110,000. FFO increased significantly during the quarter ended December 31, 2008, compared to the same period in 2007 as a result of the significant acquisitions made over that time, partly offset by an increase in general and administrative expenses in the fourth quarter of 2008.
- For the year ended December 31, 2008, Partners REIT's FFO was \$3,776,197 or \$0.21 per unit basic and diluted, compared to an FFO loss of (\$913,588) or (\$0.11) per unit basic and diluted for the year ended December 31, 2007. The increase in FFO is mainly due to the significant acquisitions made over that time period as well as non-recurring corporate transaction costs of \$1,228,274 incurred during 2007.

**2008 financial results:** For the complete 2008 Management's Discussion and Analysis and Financial Statements, please visit [www.sedar.com](http://www.sedar.com) or [www.partnersreit.com](http://www.partnersreit.com).

**Partners REIT:** Partners Real Estate Investment Trust is an open-end real estate investment trust established under the laws of the Province of Ontario. Partners REIT is focused on acquiring 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 its investors. Partners REIT currently owns 10 retail properties located in Ontario and Quebec.

**More information:** Ari Silverberg, President and Chief Operating Officer or Floriana Cipollone, Chief Financial Officer Telephone: (416) 364-5705 Facsimile: (416) 861-8166.

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*Certain statements included in this press release constitute forward-looking statements, including, but not limited to, those identified by the expressions "expect," "intend," "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 ability of Partners REIT to pay the distribution on the date specified. 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. Partners REIT undertakes no obligation to update publicly or otherwise revise any forward-looking statement or information whether as a result of new information, future events or other such factors which affect this information, except as required by law.*