

Partners Real Estate Investment Trust (TSX-V: CRH.UN) announces 2007 financial results

TORONTO: Partners Real Estate Investment Trust (“Partners REIT”) is pleased to announce its financial results for the year ended December 31, 2007.

Highlights: This was the first year of operations for Partners REIT and in that time it has accomplished many things.

- Partners REIT acquired approximately \$112 million in real estate assets in Ontario and Quebec, through four transactions in 2007 and one in January of 2008.
- Despite some of the most difficult market conditions in recent years, Partners REIT raised \$57 million in equity.
- Partners REIT negotiated a \$32 million operating/acquisition facility, allowing it to maintain a conservative balance sheet and grow without having to raise additional capital.
- Partners REIT achieved Tier 1 Issuer status on the TSX Venture Exchange in November 2007. This will allow Partners REIT to take advantage of a more favourable regulatory environment and financing mechanisms.
- In January 2008, Partners REIT implemented a distribution reinvestment and optional unit purchase plan, which management believes will help conserve cash.

Financial highlights:

- As of December 31, 2007, Partners REIT’s total assets increased to \$99,576,433 (December 31, 2006 – \$852,994), reflecting the property acquisitions in 2007. As of December 31, 2007, Partners REIT’s debt-to-gross book value ratio was approximately 47.1%. On January 31, 2008, Partners REIT completed the acquisition of Place Val Est in Sudbury, Ontario, for an aggregate purchase price before closing costs of \$14.72 million. After taking into account this acquisition, Partners REIT’s debt-to-gross book value ratio is approximately 53.7%.
- For the quarter ended December 31, 2007, Partners REIT recorded net operating income from its properties of \$1,693,610 (for the quarter ended September 30, 2007 – \$1,288,013). Same property net operating income for the quarter ended December 31, 2007 was \$1,594,065 (for the quarter ended September 30, 2007 – \$1,637,531).
- For the year ended December 31, 2007, Partners REIT had a net loss of \$3,042,085 or \$0.38 per unit basic and diluted (2006 – net loss of \$138,401 or \$0.33 per unit basic and diluted). For the quarter ended December 31, 2007, the net loss was \$290,031 or \$0.02 per unit basic and diluted (for the quarter ended December 31, 2006 – net loss of \$58,847 or \$0.10 per unit basic and diluted). 2007 was the first year of operations for Partners REIT and this is what has partly contributed to the larger loss. Partners REIT also

incurred \$1.2 million in corporate transaction costs during the year relating to Partners REIT's conversion to a real estate investment trust as well as transaction costs relating to a portfolio acquisition that Partners REIT decided not to pursue.

- For the quarter ended December 31, 2007, Partners REIT's funds from operations ("FFO") were \$676,304 or \$0.04 per unit basic and diluted, a significant increase from the quarter ended September 30, 2007 of (\$392,116) or (\$0.04) per unit basic and diluted.
- Effective with its January 2008 distribution, Partners REIT established a distribution reinvestment and optional unit purchase plan to enable Canadian resident unitholders to acquire additional units of Partners REIT.
- Currently Partners REIT is paying distributions in excess of operating cash flow and FFO and has funded and will fund the excess using its operating/acquisition facility. However, over time with additional acquisitions, it is expected that Partners REIT's distributions as a percentage of both operating cash flow and FFO will decline. As well, Partners REIT's distribution reinvestment and optional unit purchase plan has a current subscription of approximately 16% of the issued and outstanding units. Assuming that this level of participation in the distribution reinvestment plan continues, management believes that distributions on a cash basis as a percentage of both operating cash flow and FFO would decline.

2007 financial results: For the complete 2007 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-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.

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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 and Partners REIT has no obligation to update such statements except as required by law.