PARTNERS ANNOUNCES RESULTS FOR THE SECOND QUARTER OF 2017

Toronto, ON – August 9, 2017 – Partners Real Estate Investment Trust (the "REIT," or "Partners") (TSX: PAR.UN) today announced its results for the three month period ended June 30, 2017 (the "second quarter").

SECOND QUARTER 2017 HIGHLIGHTS

- Net loss of $0.6 million, a reduction of $3.9 million when compared to the second quarter of 2016, reflecting fair value losses of $5.0 million.
- Total revenues from income producing properties of $13.5 million, a $0.5 million reduction when compared to the second quarter of 2016.
- All Property NOI of $8.8 million, an increase of $0.5 million when compared with the second quarter of 2016.
    - The operating results effective this quarter reflect the disposition of two properties that occurred in December 2016 and June 2017. Same Property NOI was $8.1 million, an increase of $0.8 million from the second quarter of 2016.
- FFO and AFFO per unit of $0.10 and $0.08, compared to $0.07 and $0.05, respectively, for the second quarter of 2016.
- ACFO payout ratio for the second quarter was 80.5%.
- Occupancy of 94.9% as at June 30, 2017, down slightly when compared to 95.1% as at December 31, 2016.
- As at June 30, 2017, the REIT had renewed a total of 225,643 square feet of leases that were originally set to expire during 2017, representing approximately 79% of those leases.
- During the quarter, the REIT closed three re-financings for properties in Alberta, Ontario and Quebec. The financings totalled $43.0 million and, after payout of the existing mortgages, provided $0.4 million in net proceeds. These mortgages have terms between 3-10 years, at a weighted average contractual rate of 4.01%, replacing mortgages that carried a weighted average contractual rate of 5.14%.
- In June 2017, the REIT sold a non-core property for gross proceeds of $39.75 million; after debt repayments and closing costs the REIT realized net cash of approximately $12.2 million.
- Subsequent to June 30, 2017, the REIT closed a Rights Offering for $35.4 million through the issuance of 11.4 million units. Net proceeds will be used for debt reduction purposes.

	As at and for the three months ended		As at and for the six months ended	
	Jun 30, 2017	Jun 30, 2016	**Jun 30, 2017**	Jun 30, 2016
Revenues from income producing properties	**$ 13,482,928**	$ 13,937,629	**$ 27,354,211**	$ 28,340,812
Net income (loss)	**(613,827)**	3,344,790	**1,534,163**	5,723,935
Net income (loss) per unit - basic	**(0.02)**	0.10	**0.04**	0.17
NOI - same properties(1)	**8,089,809**	7,373,299	**15,554,521**	14,777,087
NOI - all properties(1)	**8,782,443**	8,315,459	**16,936,358**	16,661,408
FFO(1)(9)	**3,599,959**	2,515,700	**6,410,662**	5,395,716
FFO per unit(1)(9)	**0.10**	0.07	**0.19**	0.16
AFFO(1) (9)	**2,762,415**	1,589,070	**4,763,859**	3,421,013
AFFO per unit(1)(9)	**0.08**	0.05	**0.14**	0.10
ACFO(1)	**2,667,667**	1,472,607	**4,913,766**	3,121,248
Distributions(2)	**2,148,765**	2,117,373	**4,296,135**	4,231,881
Distributions per unit(2)	**0.06**	0.06	**0.13**	0.13
ACFO distribution payout ratio(3)	**80.5%**	143.8%	**87.4%**	135.6%
Cash distributions(4)	**1,702,296**	1,601,053	**3,280,624**	3,194,722
Cash distributions per unit(4)	**0.05**	0.05	**0.10**	0.10

As at	**Jun 30, 2017**	Dec 31, 2016	Dec 31, 2015
Total assets	**$ 486,251,755**	$ 514,700,205	$ 520,970,422
Total debt(5)	**325,828,303**	354,556,805	364,550,117
Total equity	**149,750,926**	151,508,380	148,888,084
Weighted average units outstanding - basic	**34,144,512**	33,690,649	27,831,288
Weighted average units outstanding - diluted	**34,209,162**	33,690,649	27,831,288
Debt-to-gross book value including debentures(5)	**66.7%**	68.6%	69.5%
Debt-to-gross book value excluding debentures(5)	**54.9%**	57.5%	58.6%
Interest coverage ratio(6)	**1.95**	1.81	1.59
Debt service coverage ratio(6)	**1.25**	1.18	1.07
Mortgages weighted average effective interest rate(7)	**4.11%**	4.41%	4.57%
Portfolio occupancy(8)	**94.9%**	95.1%	94.6%

(1) NOI – same properties and all properties, FFO, AFFO and ACFO are non-IFRS financial measures widely used in the real estate industry. See "Part II – Performance Measurement" in the REIT's MD&A for further details and advisories.

(2) Represents distributions to unitholders on an accrual basis. Distributions are payable as at the end of the period in which they are declared by the Board of Trustees, and are paid on or around the 15th day of the following month. Distributions per unit exclude the 5% bonus units, or 3% bonus units for distributions with a record date after March 1, 2016, given to participants in the Distribution Reinvestment and Optional Unit Purchase Plan.

(3) Distribution payout ratio is a non-IFRS financial measure widely used in the real estate industry, calculated as total distributions as a percentage of ACFO. Management considers the distribution payout ratio a valuable metric to determine the sustainability of the REIT's distribution. Non-IFRS measures do not have standardized meanings and are therefore unlikely to be comparable to similar measures presented by other issuers. There is no directly comparable IFRS measure.

(4) Represents distributions on a cash basis, and as such, excludes the non-cash distributions of units issued under the Distribution Reinvestment and Optional Unit Purchase Plan.

(5) Debt-to-gross book value is a non-IFRS financial measure widely used in the real estate industry. See calculation under "Debt-to-Gross Book Value" in "Part IV – Results of Operations" in the REIT's MD&A. Management considers debt-to-gross book value to be a valuable metric in assessing the REIT's overall leverage. Non-IFRS measures do not have standardized meanings and are therefore unlikely to be comparable to similar measures presented by other issuers. There is no directly comparable IFRS measure.

(6) Interest coverage ratio and debt service coverage ratio are non-IFRS financial measures widely used in the real estate industry, calculated on a rolling four-quarter basis. See definition under "Mortgages and Other Financing" in "Part IV – Results of Operations" in the REIT's MD&A. Management considers the interest coverage and debt service coverage ratios to be valuable metrics in assessing the REIT's ability to make contractual payments on debt. Non-IFRS measures do not have standardized meanings and are therefore unlikely to be comparable to similar measures presented by other issuers. There are no directly comparable IFRS measures.

(7) Represents the weighted average effective interest rate for secured debt excluding debentures and credit facilities.

(8) Portfolio occupancy is calculated as economic occupancy, not physical occupancy. A unit is considered occupied once it is committed to a lease with a minimum one-year term.

(9) Comparative figures have been reclassified to conform with the current year's presentation.

"The last few months have been a very busy time at the REIT with the Rights Offering, the sale of the non-core asset Thunder Power Centre, multiple mortgage refinancing, and execution of the operations and development plan. The Rights Offering was successful thanks to the continued support of our unitholders. The proceeds from the non-core asset sale were used as part of the debt reduction strategy. The REIT reaffirmed its commitment to improving its balance sheet by announcing the redemption of the majority of its remaining unsecured convertible debentures ("Debentures"). In Q3 2017, Partners will have a reduced the Debenture debt by $49.9 million resulting in a remaining balance of $7.6 million as at August 18, 2017", stated Jane Domenico, the REIT's CEO. "Even with these significant endeavours, the quarter's real estate results reflect the REIT's continual focus on operational improvements with higher minimum rent and cost savings from property management improvements. Finally the construction process is well on its way for pad developments at Place Desormeaux and Mariner Square, where tenant possession will occur in Q3 2017."

As initially announced on June 7, 2017, and pursuant to the REIT's Trust Indenture governing the terms of its outstanding convertible debentures, the REIT confirms the conversion price of each of the outstanding convertible debentures maturing on September 30, 2017 has been adjusted from $10.35 to $10.07 per unit and the conversion price of each of the outstanding convertible debentures maturing on March 31, 2018 has been adjusted from $10.25 to $9.97 per unit.

Further Information

A more detailed analysis of the REIT's financial results for the second quarter of 2017 are included in the REIT's Management Discussion and Analysis and Condensed Consolidated Financial Statements, which have been filed on SEDAR and can be viewed at www.sedar.com or on the REITs' website at www.partnersreit.com.

Conference Call

Partners will host a conference call at 8:30 AM Eastern on Thursday, August 10, 2017, at which time Partners' management will both review the financial results and discuss the REIT's strategic outlook.

Conference Dial-In Details

Toll Free (North America): 800-377-0758
Local: 416-340-2216

Instant Replay Details (Available until August 17, 2017)

Toll Free (North America): 800-408-3053
Passcode: 4317854#

A recording of the conference call will also be available on Partners' website.

About Partners REIT

Partners REIT is a growth-oriented real estate investment trust focused on the expansion and management of a portfolio of 34 retail and mixed-use community and neighbourhood shopping centres. These properties are located in both primary and secondary markets across British Columbia, Alberta, Manitoba, Ontario, and Quebec, and comprise a total of approximately 2.3 million square feet of leasable space.

Disclaimer

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 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, please contact:

Partners REIT Investor Relations
1 (844) 474-9620 ext. 401
investor.relations@partnersreit.com

Partners REIT
Jane Domenico Chief Executive Officer
(416) 855-3313 ext. 401