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# **PARTNERS REAL ESTATE INVESTMENT TRUST ANNOUNCES ACQUISITION OF BRITISH COLUMBIA RETAIL SHOPPING CENTRE AND \$20 MILLION BOUGHT DEAL EQUITY OFFERING**

## **FOR IMMEDIATE RELEASE**

**Victoria, BC, May 24, 2012**

Partners Real Estate Investment Trust, (TSX:PAR.UN) announced today that it has signed an agreement to acquire the Washington Park Shopping Centre, a two-building 32,912 square foot open-air shopping centre located in Courtenay, British Columbia on the east coast of Vancouver Island approximately 220 kilometers north of Victoria. The center is anchored by a Tim Hortons and TD Bank, with other tenants including Ricky's Restaurant. The purchase price of \$11.95 million will be satisfied by \$7.5 million in debt with interest at 175 basis points over five-year Government of Canada bonds with a 5-year term and a 25 year amortization period, with the balance in net cash proceeds from the bought deal equity offering outlined below. The centre is 100% occupied with approximately 45% of rental income derived from national and regional tenants, and is estimated to generate approximately \$770,000 in annualized net operating income and \$475,000 in annualized funds from operations. The transaction is expected to close on or before June 15, 2012.

"The acquisition of Washington Square strengthens our Western Canadian portfolio and fits with our strategic acquisition criteria," commented Adam Gant, Chief Executive Officer. "The Centre's tenants provide necessity-based products and services in a strong economic region experiencing continuing population growth. It has demonstrated consistent and stable cash flows generating an estimated capitalization rate on in-place net operating income of approximately 6.4%."

To partially fund the acquisition the REIT has agreed to sell, on a bought-deal basis and subject to regulatory approval, 2,705,000 Trust Units at a price of \$7.40 per Unit for aggregate gross proceeds of \$20,017,000 to a syndicate of underwriters led by Scotiabank, Canaccord Genuity Corp. and National Bank Financial Inc., with Scotiabank and Canaccord Genuity Corp. acting as joint bookrunners. The REIT has granted the underwriters an over-allotment option, exercisable in whole or in part up to 30 days after Closing, to purchase up to an additional 405,750 Units to cover over-allotments, if any. The use of proceeds from this Offering will be used to repay

amounts currently owing on the REIT's Acquisition and Operating Facility and, upon closing of the above-mentioned acquisition, will be applied toward the purchase price of the acquisition.

The REIT will, within the next few days, file with the securities commissions and other similar regulatory authorities in each of the provinces and territories of Canada, except Quebec, a preliminary short form prospectus relating to the issuance of the Units. Closing of the Offering is expected to take place on or about June 13, 2012.

The REIT intends to make monthly cash distributions to Unitholders of record on each record date, on or about the 15th day of the month following the record date. The first cash distribution to which purchasers of the units under this offering will be entitled to participate will be for the month of June, with a record date of June 29, 2012 and a payment date of July 16, 2012.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been and will not be registered under the U.S. Securities Act of 1933 as amended and may not be offered or sold in the United States absent registration or pursuant to applicable exemption from registration.

### **About Partners REIT**

Partners REIT is a growth-oriented real estate investment trust, which currently owns (directly or indirectly) 29 retail properties located in British Columbia, Alberta, Ontario, Manitoba and Quebec, aggregating approximately 2.2 million square feet of leaseable 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.

### **For further information:**

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### **Forward-looking Statements**

*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 the integration of the acquisitions with our property portfolio, the receipt of regulatory approval, our expectations regarding closing the proposed acquisitions, the expected increase in the mortgage, our expectations regarding an increase in incremental funds as a result of the acquisitions, our intention to continue to grow and diversify our portfolio, 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.*