



Primaris Retail REIT Announces December Distribution

Toronto (Ontario), December 15, 2008 – Primaris Retail REIT (TSX: PMZ.UN) announces today its December 2008 monthly distribution in the amount of \$0.1016. Payment will be made on January 15th, 2009 to holders of record as of December 31, 2008.

The Distributions Committee of the Board recently reviewed the REIT's distributions. In its deliberations the Committee considered the following items:

- the expectation of a weaker economic environment in 2009
- Primaris' Operating Plan for 2009
- Primaris' strong cash position,
- Availability of cash resources for 2009, including an undrawn \$120 million line of credit,
- Manageable loan maturities before 2012,
- Conservative leverage measured on both a balance sheet and operating basis,
- Leasing and development capital requirements for 2009.

The Distribution committee has decided to maintain the current rate of distributions. The rate is slightly in excess of expected Funds from Operations less ongoing capital expenditures. However, the two major reasons are the one-time transition costs in 2009 related to the internalization of Primaris, and the drag on earnings resulting from a strong cash position in a low interest rate environment. These are temporary in nature and should not affect a long term policy decision such as Distributions.

Unitholders who elect to participate in the DRIP will receive a further distribution, payable in units, equal in value to 3% of each cash distribution reinvested by them. The price at which units will be purchased with such cash distributions is based on a weighted average trading price of units for the 20 trading days prior to the relevant distribution date, which is normally the 15th of each month. Those unitholders wishing to enroll in the DRIP should contact the brokerage house or financial institution where their units are currently held and complete the required authorization form.

Primaris Retail REIT owns 26 properties comprising approximately 9.3 million square feet located in Canada. Primaris Retail REIT is a TSX listed real estate investment trust (TSX: PMZ.UN). As of November 30th, 2008 the REIT had 62,261,658 units issued and outstanding.

This press release contains forward-looking information based on management's best estimates and the current operating environment. These forward-looking statements are related to, but not limited to, the REIT's operations, anticipated financial performance, business prospects and strategies. Forward-looking information typically contains statements with words such as "expectation," "plan," "availability," "manageable" or similar words suggesting future outcomes. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.

Examples of such information include, but are not limited to, factors relating to the business, taxation, financial position of the REIT, operations and redevelopments including volatility of capital markets, availability of capital to both the REIT and its current and prospective tenants, legislative change, consumer spending, retail leasing demand, strength of the retail sector, price volatility of construction costs, availability of construction labour and timing of regulatory and contractual approvals for developments.

Although the forward-looking statements contained in this document are based on what management of the REIT believes are reasonable assumptions, forward-looking statements involve significant risks and uncertainties. They should not be read as guarantees of future performance or results and will not necessarily be an accurate indicator of whether or not such results will be achieved. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future results to differ from targets, expectations or estimates expressed in the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, economic, competitive and commercial real estate conditions, unplanned compliance-related expenses, uninsured property losses and tenant-related risks.

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