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Primaris Retail REIT Announces \$377 million Alberta Acquisitions

Toronto (Ontario), February 1, 2013 –Primaris Retail REIT (TSX:PMZ.UN) ("Primaris") announced today that it has agreed to purchase a portfolio of shopping centres (the "Alberta Acquisition") for \$377 million dollars (the "Purchase Price"). Primaris will buy a 100% interest in nine properties owned by Sherwood Park Mall Limited, Markalta Developments Ltd. and Sleeping Bay Building Corp. (collectively the "Vendor") which include: two enclosed regional shopping centres including an adjacent professional building, five unenclosed strip plazas, one single tenant retail building, and 4.47 acres of development land, as more particularly described below.

The portfolio includes Medicine Hat Mall, Medicine Hat, Alberta and Sherwood Park Mall, Edmonton, Alberta. Subject to typical conditions of closing for a transaction of this type, closing of the Alberta Acquisition is expected to occur on March 4, 2013.

Commenting on the acquisition, Primaris president and CEO, John Morrison, said, "We are very pleased to extend Primaris' reach in western Canada. Medicine Hat Mall and Sherwood Park Mall are both quality assets that are dominant in their trade areas. Primaris' acquisition of these assets complements our existing Alberta presence in Calgary, Edmonton and Lethbridge, and broadens our visibility and reach in western Canada. We expect these acquisitions to be accretive to our funds from operations per unit."

Mr. Morrison added, "The acquisition of these shopping centres is part of our defined property strategy to own dominant centres in secondary markets. This is our strength and we excel at managing, leasing and enhancing the value of these types of properties. Our shopping centres typically have high occupancy and low turnover with the right blend of retail brands that consumers want."

	Property Name	Location	Gross Leasable Area	Purchase Interest
A) <u>Medicine Hat Cluster:</u>				
1)	Medicine Hat Mall	Medicine Hat, AB	539,182	100%
2)	Trans-Canada Plaza	Medicine Hat, AB	20,115	100%
3)	Scotia Plaza	Medicine Hat, AB	11,366	100%
4)	Carry Drive Plaza	Medicine Hat, AB	29,581	100%
5)	Dunmore Plaza	Medicine Hat, AB	30,251	100%
6)	Park Plaza	Medicine Hat, AB	<u>60,504</u>	100%
Sub-total of Medicine Hat Cluster			690,999	
B) <u>Sherwood Park Cluster (Suburb of Edmonton):</u>				
7)	Sherwood Park Mall	Sherwood Park, AB	460,875	100%
8)	Sherwood Park Plaza	Sherwood Park, AB	44,267	100%
9)	Development Land (4.47 acres)	Sherwood Park, AB	<u>-</u>	100%
Sub-total of Sherwood Park Cluster			505,142	100%
Total Portfolio			1,196,141	

Primaris estimates that it will earn a going-in capitalization rate of 5.76% (meaning the estimated first twelve months net operating income divided by the purchase price) on these properties. This estimated return includes amounts that represent the recovery of deferred capital expenditures made by the vendor.

Medicine Hat Mall, Medicine Hat

Medicine Hat Mall is a single-level enclosed regional shopping centre containing a net rentable area of approximately 539,000 square feet. It was built in 1980 and was recently renovated in 2008. The centre is anchored by Target, The Bay, Safeway, Galaxy Cinemas and Sears. The site comprises approximately 51 acres. Medicine Hat Mall is the premier enclosed shopping centre in the south eastern Alberta market. This is the only Target store located between Calgary and Regina. Sales for the 12 month period ended June 30, 2012, are estimated to be \$489 psf.

Sherwood Park Mall, Sherwood Park (Edmonton)

Sherwood Park Mall is a single-level enclosed regional shopping centre containing a net rentable area of approximately 461,000 square feet. It was built in 1972 and was recently renovated in 2012. The centre is anchored by Target, Galaxy Cinemas and Safeway. A three-storey office building forms part of the shopping centre. The site comprises approximately 36 acres. Sales for the 12 month period ended June 30, 2012, are estimated to be \$477 psf.

Funding

The purchase price, including closing costs, is expected to be funded as follows (\$millions):

Vendor Financing	\$339.0
Credit Facility	<u>\$ 41.0</u>
	<u>\$380.0</u>

Primaris is seeking permanent long term mortgage financing to be secured by Medicine Hat Mall, Trans-Canada Plaza, and Sherwood Park Mall. The vendor financing has a term of 7 months and will be repaid out of new permanent financing to be arranged, other future mortgages, unsecured debt or equity financings.

Liquidity Remains Solid

The draw on the line of credit will leave approximately \$57 million dollars of unused credit capacity. Primaris will remain in a liquid financial position after completing this acquisition. In addition Primaris will have \$575 million of unencumbered assets, excluding those assets subject to the vendor financing.

The pro forma Debt to Total Assets ratio will be 45.1%. The pro forma annualized EBITDA to interest expense will be 2.7x. Management believes that this liquidity position and amount of debt are at levels that allow Primaris to continue to meet current obligations comfortably and pursue future growth opportunities as they become available.

Forward-Looking Information

This press release contains forward looking statements that reflect the current expectations of Primaris about its future results, performance, prospects and opportunities. Readers are cautioned not to place undue reliance on forward looking information. Primaris has tried to identify these forward looking statements by using words such as "may", "will", "should" "expect", "anticipate", "believe", "intend", "plan", "estimate", "potentially" and similar expressions. By its nature, such forward looking information necessarily involves known and unknown risks and uncertainties that may cause Primaris' actual results, performance, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward looking statements. These risks and uncertainties include, among other things, risks related to: the anticipated closing of the Alberta Acquisition; real property ownership; tenant risks; fixed costs; liquidity; financing risks; limit on activities; availability of cash flow; availability of growth opportunities; access to capital; interest rate fluctuations; retail concentration; reliance on anchor tenants; restrictions on redemptions; competition; land leases; general uninsured losses; environmental matters; possibility of unitholder liability; tax-related risk factors; potential conflicts of interest; dilution; specific lease considerations; and nature of investment. There can be no assurance that Primaris' expectations will prove to be correct. Primaris assumes no obligation to update or revise any such forward looking statements to reflect new events or circumstances.

Although the forward-looking statements contained in this press release are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain assumptions made in preparing forward-

looking information and Primaris' objectives include the assumption that the Alberta Acquisition will be completed on the terms and basis set out herein, the Canadian economy will remain stable in 2013 and that inflation will remain relatively low. Management has also assumed that interest rates will remain stable in 2013 that conditions within the real estate market, including competition for acquisitions, will be consistent with the current climate and that capital markets will continue to provide Primaris with ready access to equity and/or debt.

Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While Primaris may elect to, Primaris is under no obligation and does not undertake to update this information at any particular time, except as required by law.

Upon completion of these acquisitions, Primaris will own 43 income-producing properties comprising approximately 15.9 million square feet located in Canada. As of December 31, 2012, Primaris had 100,346,768 units issued and outstanding, including 2,122,261 Exchangeable Units.

For more information, please contact

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