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**PRIMARIS RETAIL REIT WAIVES APPLICATION OF RIGHTS PLAN AND PROVIDES UPDATE ON H&R REIT TRANSACTION**

***Trustees continue to recommend KingSett bid be rejected***

**Toronto (Ontario) January 24, 2013** – Primaris Retail REIT (TSX:PMZ.UN) today announced that effective Noon (Toronto time) February 4, 2013, it has waived the application of its Unitholder Rights Plan in connection with the hostile bid made by KS Acquisition II L.P. (which includes KingSett Capital, Ontario Pension Board and RioCan REIT).

While waiving the application of the Plan, the Board of Trustees continues to unanimously recommend that Unitholders reject the inadequate KingSett bid and take no action with regards to it.

On January 16, Primaris entered into an agreement with H&R REIT in which H&R will, subject to a number of conditions, acquire 100 per cent of the issued and outstanding units of Primaris. The Primaris Board of Trustees is unanimously recommending that Unitholders support the H&R transaction.

"The Plan has accomplished what it was designed to do," said William Biggar, Chair of the Independent Committee of Trustees that was created to review the KingSett bid and any alternatives to it. "We were presented with a hostile bid that undervalued Primaris and its assets. The Plan allowed us the necessary time to canvas the market for a more compelling offer, which we received from H&R REIT."

We are expecting that the Primaris unitholder meeting will be held in March 2013 and that we will send unitholders an information circular in the next few weeks. The application of the rights plan to the H&R REIT transaction will be waived as part of the unitholder approval of the transaction at the Primaris unitholder meeting.

Units already tendered to the KingSett offer can be withdrawn. Investors requiring assistance in withdrawing previously tendered Primaris Units should contact Kingsdale Shareholder Services Inc. at 1-866-581-1571 toll-free in North America, or 416-867-2272 outside North America or by email at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

**About Primaris**

Primaris is a TSX listed real estate investment trust that specializes in owning and operating Canadian enclosed shopping centres that are dominant in their local trade areas. Merchandising for each property is dynamic in order to meet the unique needs of its local customers and the community. Primaris maintains a high occupancy rate at its shopping centres and has retail

tenants that offer new and exciting brands. Primaris owns 35 income-producing properties comprising approximately 14.7 million square feet located in Canada. As of December 31, 2012, Primaris had 100,346,768 units issued and outstanding (including exchangeable units for which units have yet to be issued).

### **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. Readers should review the Trustees' Circular under the heading "Forward Looking Statements" for a further details related to these forward looking statements.

### **For Further Information**

#### **Primaris Unitholders:**

Kingsdale Shareholder Services Inc. at 1-866-581-1571 (English and Français) toll-free in North America, or at 1-416-867-2272 outside of North America (collect calls accepted), or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

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