



Primaris Retail Real Estate Investment Trust Board of Trustees Unanimously Recommends Unitholders Reject KingSett Hostile Take-over Bid

Toronto, ON – December 20, 2012 – Primaris Retail Real Estate Investment Trust (TSX: PMZ.UN) today announced that after a thorough review of the December 10 hostile take-over bid from a consortium led by KingSett Capital (that includes Ontario Pension Board and RioCan REIT), and in consultation with its financial and legal advisors, the company's Board of Trustees has unanimously recommended Unitholders reject the offer. The Board found the KingSett bid to be significantly undervalued and not in the best interests of Primaris Unitholders.

"This is a financially inadequate and opportunistic offer," said William Biggar, Chair of the Independent Committee of Trustees, that was created to review the bid. "KingSett's hostile offer price is below the most recent trading price of Primaris Units and the market price is clearly indicating that Primaris' high quality assets, operating platform, and track record of growth are worth more than their offer. Unitholders should not tender their Units to this offer."

The Board's recommendation, as well as a detailed discussion of its reasons for rejecting the KingSett Offer, is contained in a Trustees' Circular filed today, a copy of which is available at www.sedar.com or www.primarisrealvalue.com. A copy is also being mailed to all Unitholders. Unitholders are urged to read the Trustees' Circular in its entirety.

The principal factors considered by the Board of Trustees in concluding to recommend that Unitholders REJECT the KingSett Offer and NOT TENDER their Primaris Units include:

- The KingSett Offer is financially inadequate as:
 - the KingSett Offer fails to adequately compensate Primaris Unitholders for the underlying value of Primaris' assets, the strategic value of Primaris' national scale and operating platform and Primaris' future growth potential through its acquisition and development pipeline. Primaris is the largest and only publicly-traded REIT in Canada focused on high quality enclosed shopping centres;
 - the KingSett Offer does not provide an appropriate change of control premium;
 - the consensus opinion of equity analysts has suggested that the KingSett Offer does not fully value Primaris;

- the KingSett Offer is at a discount to the current trading price of the Primaris Units; and
- in the written opinion of Canaccord Genuity, a financial advisor to the Board, the \$26 offer is inadequate from a financial point of view to Primaris Unitholders, other than the Offeror and its affiliates.
- The Independent Committee, together with management of Primaris and its financial and legal advisors, are currently pursuing a rigorous process designed to achieve a result that is financially superior to the KingSett Offer and deliver greater value for Primaris and unitholders.
- The KingSett Offer is not a permitted bid under the Primaris' unitholder rights plan.
- Most taxable Primaris Unitholders could find it difficult to find an equally attractive investment and income stream with a similar risk profile as currently in place with their investment in Primaris Units using after-tax proceeds from the KingSett Offer.
- The timing of the KingSett Offer is opportunistic and designed to take advantage of the difficulty other potential interested parties could have in organizing their affairs through the holiday season.
- The KingSett Offer fails to consider the interests of all Primaris securityholders.

None of the trustees or officers of Primaris has accepted or intends to accept the KingSett Offer.

As the KingSett Offer is open for acceptance until 5:00 p.m. (Toronto time) on January 17, 2013 (unless the KingSett Offer is extended or withdrawn), there is no need for unitholders to take any action with respect to the KingSett Offer at this time. We expect the KingSett Offer will be extended beyond January 17, 2013 (if it is not withdrawn) given that the Board of Trustees intends to leave the Primaris Unitholders Rights Plan in place to prevent KingSett from purchasing any Primaris Units under its offer until the Independent Committee has completed its discussions with third parties and its canvass of possible alternatives available to Primaris and the Primaris Unitholders

To reject the Offer, Unitholders should do nothing.

How to Withdraw Units from the Offer

Unitholders who have already tendered their Units should contact their broker, who will withdraw the Units on their behalf. If you require assistance in withdrawing your Primaris Units, please 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.

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 November 30, 2012, Primaris had 100,078,272 units issued and outstanding (including exchangeable units for which units have yet to be issued).

Information

Primaris Unitholders

Kingsdale Shareholder Services Inc. at 1-866-581-1571 (English and Francais) 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.

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 PLEASE CONTACT:

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