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### **Primaris Retail REIT Announces 4.2% Distribution Increase**

December 19, 2012, Toronto, Ontario – Primaris Retail REIT (TSX:PMZ.UN), Canada's leading enclosed shopping centre real estate investment trust, today announced that, based on a unanimous recommendation of the Distributions Committee of its Board of Trustees, the Trustees have approved a 4.2% increase in monthly cash distributions from \$0.1016 per unit (\$1.22 per unit annualized) to \$0.1059 per unit (\$1.27 per unit annualized).

"We are very pleased to announce this increase in cash distributions to our investors," said Roland Cardy, Chairman of Primaris' Board of Directors. "It is important that we balance the desire for reliable, increasing distributions with a healthy payout ratio."

"The growth in distributions is consistent with the successful growth of the overall portfolio, which is why we are such an attractive investment proposition," explained John Morrison, President and CEO of Primaris Retail REIT. "Primaris has a proven ability to identify efficiencies and recognize hidden potential in properties and communities. This has been a key factor in our success and continued growth. We have grown from six properties in three provinces to 35 properties spanning coast to coast."

The Trustees considered a number of factors in determining to approve the increase to distributions, including:

- the high quality of Primaris' assets and the strength of its national scale and operating platform;
- Primaris management's successful track record of accretive property acquisitions and development activities, including growing the portfolio from six properties to 35, across the country, in less than 10 years; and
- The recent upgrade by DBRS of Primaris' unsecured debt rating to investment grade (BBB (low)).

The increase in monthly distributions was approved at a regularly scheduled meeting of the Distributions Committee and the Board of Trustees and was not undertaken in response to the hostile take-over bid recently announced by a group that includes KingSett Capital, the Ontario Pension Board and RioCan REIT.

The increased monthly distribution will commence on February 15, 2013, payable to unitholders of record on January 31, 2013.

### **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 with retailers 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).

### **Forward-Looking Information**

The news 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, Primaris' operations, anticipated financial performance, business prospects and strategies. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan" 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.

In particular, certain statements in this document discuss Primaris' anticipated outlook of future events. These statements include, but are not limited to:

- (i) the accretive acquisition of properties and the anticipated extent of the accretion of any acquisitions, which could be impacted by demand for properties and the effect that demand has on acquisition capitalization rates and changes in the cost of capital;
- (ii) reinvesting to make improvements and maintenance to existing properties, which could be impacted by the availability of labour and capital resource allocation decisions;
- (iii) generating improved rental income and occupancy levels, which could be impacted by changes in demand for Primaris' properties, tenant bankruptcies, the effects of general economic conditions and supply of competitive locations in proximity to Primaris locations;
- (iv) overall indebtedness levels, which could be impacted by the level of acquisition activity Primaris is able to achieve and future financing opportunities;
- (v) tax exempt status, which can be impacted by regulatory changes enacted by governmental authorities;
- (vi) anticipated distributions and payout ratios, which could be impacted by capital expenditures, results of operations and capital resource allocation decisions;
- (vii) the effect that any contingencies could have on Primaris' financial statements;
- (viii) anticipated replacement of expiring tenancies, which could be impacted by the effects of general economic conditions and the supply of competitive locations; and
- (ix) the development of properties which could be impacted by real estate market cycles, the availability of labour and general economic conditions.

Although the forward-looking statements contained in this document are based on what management of Primaris 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. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include: a less robust retail environment; relatively stable interest costs; access to equity and debt capital markets to fund, at acceptable costs, the future growth program and to enable Primaris to refinance debts as they mature and the availability of purchase opportunities for growth.

Except as required by applicable law, Primaris undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

**For more information, please contact**

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