

**BOARD OF PRIMARIS RETAIL REIT FORMS INDEPENDENT COMMITTEE  
AND RETAINS FINANCIAL ADVISORS**

**KingSett Offer Wholly Inadequate and Unitholders Strongly Urged to  
Take No Action at This Time**

TORONTO, ONTARIO--(Marketwire - Dec. 12, 2012)

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM THE UNITED STATES OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS IN THAT JURISDICTION.

Primaris Retail REIT (TSX:PMZ.UN) today announced that its Board has formed a committee of independent trustees to consider and evaluate the unsolicited take-over bid made by a consortium led by KingSett Capital for all the outstanding trust units of Primaris at a price of \$26.00 in cash per unit. Mr. William J. Biggar will serve as Chair of the Independent Committee. The Board also retained Canaccord Genuity Corp. and Evercore Partners to provide financial advice.

The Board and its advisors reviewed the advertisement commencing KingSett Capital's offer and the take-over bid circular filed on SEDAR (and publicly available at [www.sedar.com](http://www.sedar.com)). The Board's preliminary view is that the unsolicited offer is wholly inadequate and undervalues Primaris, including its current pipeline of property development opportunities and acquisitions.

The offer price represents a small premium of less than 13% to the closing price per unit of \$23.04 on December 4, 2012 (the day before public announcement of the unsolicited offer) and an even smaller premium of only 4.3% to the 52-week high trading price of \$24.93 per unit reached less than four months ago on August 17, 2012. Primaris offers investors a unique play in the Canadian real estate market, and has a proven track record of creating value for Unitholders. It is Canada's only publicly traded real estate investment trust focused on enclosed shopping centres and has grown its portfolio from six properties valued at \$435 million to 35 properties valued at \$4.1 billion in less than 10 years. Based on yesterday's closing price of \$26.56, Primaris has earned Unitholders a return of 275% since going public in July 2003, and 34% since January 1, 2012. This compares to a 2.3% year-to-date return on the S&P/TSX Composite index.

The Board believes that the timing and approach of KingSett Capital's offer is highly opportunistic. By commencing an offer that runs through the holiday season, KingSett Capital is reducing the amount of time available to the Board to consider the offer and for Unitholders to make an informed decision. The Board also notes that the offer is not a "Permitted Bid" under the Primaris Unitholder Rights Plan agreement that was most recently ratified by 98% of Unitholders voting at an annual and special meeting held on May 17, 2011. A Permitted Bid must be open for at least 60 days for consideration by Unitholders whereas the KingSett Capital offer is only open for 38 days.

The Independent Committee intends to thoroughly review and consider KingSett Capital's offer and alternatives that may be available. This could include continuing to carry out Primaris'

existing business plans by remaining an independent, publicly traded real estate investment trust focused on enclosed shopping centres. The Board intends to make a recommendation to the Unitholders by no later than December 24, 2012. Until that time, Unitholders are strongly urged to take no action and not tender their units to KingSett Capital's offer.

#### 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. Each property is flexible in order to meet the unique needs of its local customers and the specifications of that community. Primaris boasts a high occupancy rate and is always remerchandising its centres to bring new and exciting brands to its properties. This combined with its focus on acquiring valuable Canadian properties, makes Primaris a smart, sound investment.

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](mailto:contactus@kingsdaleshareholder.com).

-30-

#### FOR FURTHER INFORMATION PLEASE CONTACT:

Media Contact  
NATIONAL Public Relations  
Peter Block  
416-848-1431

OR

NATIONAL Public Relations  
Jennifer Lee  
416-848-1383

INDUSTRY: Financial Services-Investment Services and Trading, Financial Services-Personal Finance, Real Estate and Construction-Commercial Real Estate, Real Estate and Construction-Residential Real Estate  
SUBJECT: STK

-0-