

Primaris Retail REIT Announces Significant Acquisition and Public Offering of \$226.6 Million of Subscription Receipts and \$75 Million of Extendible Convertible Debentures

Toronto (Ontario), May 24, 2011 –Primaris Retail REIT (TSX:PMZ.UN) ("Primaris" or the "REIT") announced today that it has agreed to purchase five retail properties from Ivanhoe Cambridge (the "Acquisition") for \$572 million dollars (the "Purchase Price"). Primaris will buy a 100% interest in Oakville Place, Burlington Mall, Tecumseh Mall, St Albert Centre and Place Vertu. Subject to typical conditions of closing for a transaction of this type, closing of the Acquisition is expected to occur on June 22, 2011.

John Morrison, President and CEO, commented "We expect these acquisitions to be accretive to our funds from operations per unit. We are extremely pleased to add these investments to our core portfolio. Oakville Place and Burlington Mall are institutional quality assets that will greatly complement our existing portfolio and add to our presence in Canada's largest consumer market, the Greater Toronto Area. Together they represent two-thirds of the total investment. Tecumseh Mall, St. Albert Centre and Place Vertu are also welcome additions to our portfolio as these complimentary assets are each located in markets familiar to us but where we do not yet operate."

Mr. Morrison added that "These acquisitions represent a meaningful 20% increase to the size of our portfolio in terms of value. All of these assets meet the criteria of our defined property strategy to own dominant centres in secondary markets and secondary assets in major markets."

Description of Public Offering

Primaris Retail REIT has reached an agreement with a syndicate of underwriters co-led by RBC Capital Markets and CIBC World Markets Inc., with RBC Capital Markets acting as sole bookrunner, to issue to the public, subject to regulatory approval, on a bought deal basis, 11,000,000 subscription receipts representing the right to receive trust units at a price of \$20.60 per subscription receipt and \$75 million aggregate principal amount of 5.4% extendible convertible unsecured subordinated debentures (the "Debentures"). The maturity date of the Debentures will initially be the "Termination Date", which is the earlier of (i) 5:00 p.m. on August 15, 2011, (ii) the date on which three or more of the purchase agreements in respect of the Acquisition are terminated, (iii) the date on which one or more of the purchase agreements are terminated in respect of the Acquisition and where the purchase price attributable to the remaining properties comprising the Acquisition represents less than 80% of the Purchase Price, or (iv) the date on which the REIT advises that it does not intend to proceed with the Acquisition Closing. The maturity date of the Debentures will be extended to November 30, 2018 upon closing of the acquisition of at least three of the five Acquisition properties prior to the Termination Date where the purchase price attributable to such properties represents at least 80% of the Purchase Price (the "Acquisition Closing").

The Debentures are convertible at the option of the holder, into trust units of Primaris Retail REIT at \$28.84 per trust unit. Primaris Retail REIT has granted an over-allotment option exercisable at any time

up to 30 days after closing of the offering, to acquire additional subscription receipts (or, in certain circumstances, REIT units) at the same offering price up to the lesser of 1,650,000 subscription receipts and the Underwriters respective "Over-Allocation Position" as at the closing of the offering.

The net proceeds from this offering (after deducting the Underwriters' fee and estimated offering expenses) will be used to pay a portion of the Purchase Price for the Acquisition Properties as well as the REIT's expenses with respect to the Acquisition. If only three or four of the five Acquisition Properties are acquired prior to August 15, 2011, any additional net proceeds of the offering may be used to reduce the size of the bridge loan that will be used to fund a portion of the Purchase Price or will otherwise be used by the REIT for general purposes.

The Acquisition Properties comprise the following five retail centres, three in Ontario: Burlington Mall in Burlington, Oakville Place in Oakville and Tecumseh Mall in Windsor; Place Vertu in Saint-Laurent (Montreal), Quebec and St. Albert Centre in St. Albert (Edmonton), Alberta.

The remainder of the Purchase Price will be funded with cash on hand, Primaris' existing line of credit and a debt bridge facility, more fully described below.

On the Acquisition Closing, (i) one REIT unit will be automatically issued in exchange for each Subscription Receipt (subject to customary anti-dilution protections), without payment of additional consideration, (ii) holders of Subscription Receipts shall be entitled to receive, without duplication, an amount per Subscription Receipt equal to the amount that would have been declared as distributions on the Units issuable on the exchange of such Subscription Receipts, if such Units had been issued on the closing of the offering in lieu of the Subscription Receipts which amount will be payable on or about the third business day following the Acquisition Closing, except that if a distribution has been declared but not paid, then payment of that distribution will, at the REIT's option, be made on the date that distribution is paid to Unitholders, and (iii) the proceeds from the sale of the Subscription Receipts will be released from escrow to the REIT.

If the Acquisition Closing does not occur prior to the Termination Date, each Subscription Receipt will entitle the holder thereof to receive an amount equal to the full offering price thereof and their pro rata share of interest thereon, and each Debenture will entitle the holder thereof to receive an amount equal to the offering price thereof and accrued and unpaid interest thereon.

Primaris Retail REIT will, by May 30, 2011, file with the securities commissions and other similar regulatory authorities in each of the provinces and territories of Canada a preliminary short form prospectus relating to the issuance of the Subscription Receipts and the Debentures. The closing of the offering is expected to occur on or before June 13, 2011.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been and will not be registered under the U.S. Securities Act of 1933 as amended and may not be offered or sold in the United States absent registration or pursuant to applicable exemption from registration.

The Properties

Property	Location	Gross Leasable Area
Oakville Place	Oakville, ON	455,000
Burlington Mall	Burlington, ON	636,000
Tecumseh Mall	Windsor, ON	373,000
St. Albert Centre	St Albert (Edmonton), AB	312,000
Place Vertu	Montreal, QC	738,000
		<hr/> 2,514,000 <hr/>

Primaris estimates that it will earn a going-in capitalization rate of 6.35% (meaning the estimated first twelve months net operating income divided by the purchase price) on these five properties. Within the portfolio the capitalization rates range from 6.0% to 7.2%. This estimated return includes amounts that represent the recovery of deferred capital expenditures made by the vendor. The lower range of the cap rates apply to the purchase of Burlington Mall and Oakville Place. These are two institutional quality assets that represent two thirds of the total acquisition by value, and will improve Primaris' average portfolio quality. Primaris sees upside value in the additional land at Tecumseh and the vacant space at Place Vertu.

Oakville Place

Oakville Place is a two-level enclosed regional shopping centre containing a net rentable area of approximately 455,000 square feet, was built in 1981 and underwent extensive renovations and expansions in 2004 and 2008. The site comprises approximately 29.2 acres. Oakville Place is the dominant enclosed shopping centre in the primary Oakville market.

Burlington Mall

Burlington Mall is a 781,000 square foot single-level enclosed community shopping centre, of which 636,000 square feet is owned. The Centre is anchored by Canadian Tire (freestanding), and Zellers. The Bay (not owned) is attached to the centre and acts as a Shadow Anchor. The owned site area comprises approximately 42 acres, excluding The Bay store and some land leased from Ontario Hydro. The Centre opened in 1968 and has undergone renovations/expansions in 2001, 2004, and 2006.

Tecumseh Mall

Tecumseh Mall is a 373,000 square foot single-level enclosed community shopping centre. The Centre is situated on an overall 52.5 acre site including 7.6 acres of vacant land available for development. The Centre was originally constructed in 1973 and has undergone expansions and renovations in 1986, 1999, 2001 and 2010.

St. Albert Centre

St. Albert Centre is a 312,000 square foot single-level enclosed community shopping centre. The total site area is approximately 27.52 acres. The Centre was originally constructed in 1980 and underwent interior renovations in 1995.

Place Vertu

Place Vertu includes an 832,000 square foot single-level enclosed regional shopping centre of which 636,000 square feet is owned, and a 102,000 square foot 9-storey, Class 'B' office tower. The Centre is anchored by Zellers and Canadian Tire. Sears (not owned) is attached to the centre and acts as a Shadow Anchor. The Place Vertu complex is situated on a 43.6 acre site excluding the Sears owned lands. The retail component of Place Vertu was originally constructed in 1975 with expansions and renovations taking place in 1984-1987, 1990 and 2007-2011. The office building was constructed in 1990 and since that time has undergone several major capital improvements.

Appendices to this press release provide additional information about these assets and pro forma data about the inclusion of the assets in the Primaris portfolio.

Funding

The purchase price, including closing costs, is expected to be funded as follows (000s):

Cash on hand	\$50,000
Draw on line of credit	24,000
Proceeds of offering, net	287,000
Bridge credit facility	<u>230,000</u>
Total	\$591,000

Primaris is seeking mortgage financing to be secured by some of these five assets. In the meantime, Primaris has arranged a bridge credit facility in the amount of \$230,000 in order to fund the purchase independent from the completion of the long term financing, which amount will be replaced with the mortgage financing noted above when it funds. The interest expense on the bridge loan will be based on the bankers acceptance rate plus 250 bps. The bridge facility will have a term of one year with the ability to extend the term for an additional six months. It is expected that loan commitments for the permanent financing can be obtained in June and that permanent financing can be in place by the end of July. *Primaris is seeking permanent financing bearing interest at fixed rates. Based on preliminary discussions with lenders, Primaris expects to place a 5 year, \$108 million mortgage on Burlington Mall and a 10 year, \$115 million mortgage on Oakville Place. The REIT estimates that the interest expense attributable to such long-term financing, based on the current portfolio of the REIT and other relevant factors will amount to approximately \$4.5 million per year for Burlington Mall and \$5.5 million per year for Oakville Place.*

Liquidity Remains Solid

The draw on the line of credit will leave approximately \$106 million dollars of unused credit capacity. Primaris has no maturing debt before June 2012 and therefore remains in a very liquid financial position after completing this acquisition.

The pro forma Debt to Gross Book Value, under IFRS, ratio will be 43.8%, excluding convertible debentures from "debt", and will be 51.1% including convertible debentures as debt. If the ratio was calculated in accordance with previously reported historic book values, the pro forma Debt to Gross Book Value ratio will be 52.8%, excluding convertible debentures from "debt", and will be 61.1% including convertible debentures as debt. Management believes that this liquidity position and amount of debt are at levels that allow the REIT to continue to comfortably meet current obligations and will continue to allow the REIT to pursue future growth opportunities as they become available.

Forward-Looking Information

This press release contains forward looking statements that reflect the current expectations of the REIT about its future results, performance, prospects and opportunities. Readers are cautioned not to place undue reliance on forward looking information. The REIT 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 the REIT's 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 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 the expectations of the REIT will prove to be correct. The REIT 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 the REIT's objectives include the assumption that the Acquisition will be completed on the terms and basis set out herein (the Acquisition Closing will be deemed to have occurred if Primaris acquires at least three of the five Acquisition properties prior to the Termination Date where the purchase price attributable to such properties represents at least 80% of the aggregate Purchase Price), the Canadian economy will remain stable in 2011 and that inflation will remain relatively low. Management has also assumed that interest rates will remain stable in 2011, 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 the REIT with ready access to equity and/or debt.

You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the REIT may elect to, the REIT 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 Retail REIT will own 34 income-producing properties comprising approximately 13.6 million square feet located in Canada. As of April 30, 2011, the REIT had 69,481,038 units issued and outstanding, including Exchangeable Units.

Schedule A

Property Description:

Oakville Place

Oakville Place is located at the intersection of the QEW and Trafalgar Road in Oakville, Ontario, with a population of 192,000. The primary trade area population of Oakville Place is 168,000 and the secondary trade area population is 182,000.

Oakville Place is a 455,000 square foot two-level enclosed regional shopping centre. The Centre is anchored by The Bay and Sears. Additionally, there are two major tenants: H&M and StyleSense. The Centre is situated on a 29.2 acres site and was built in 1981 with further renovations/ expansions in 2004 and 2008. The 2010 average CRU sales performance was \$490 per square foot for the year ended December 31, 2010.

The current overall occupancy of the property is 97.6%. The expiry of CRU space does not represent more than 13.1% of total GLA in any one of the next five years.

Profile of Tenants greater than 15,000 square feet			
Anchors/Majors	Area (SF)	% of Area	Lease Expiry
The Bay	119,428	26.2%	March 2016
Sears	104,165	22.9%	March 2016
H&M	19,793	4.4%	April 2015
Style Sense	18,920	4.2%	September 2018
Sub-Total	262,306	57.6%	
Non-Anchor Tenants	181,826	40.0%	
Vacant	10,868	2.4%	
Total Property Area	455,000	100%	

Burlington Mall:

Burlington Mall is located at the intersection of Guelph Line and Fairview Street, in Burlington, Ontario, with a population of 181,000. The primary trade area for Burlington Mall is estimated at 149,000 people, with the secondary trade area including an additional 223,000 people.

Burlington Mall is a 781,000 square foot single-level enclosed community shopping centre, of which 636,000 square feet is owned. The Centre is anchored by Canadian Tire (freestanding), and Zellers. The Bay (not owned) is attached to the centre and acts as a Shadow Anchor. Additionally, there are five major tenants: GoodLife Fitness, Winners, HomeSense, Sport Chek and Old Navy. The 2010 average CRU sales performance was \$389 per square foot for the year ended December 31, 2010.

The owned site area comprises approximately 42 acres, excluding The Bay store and Ontario Hydro leased lands. The Centre opened in 1968 and has undergone renovations/expansions in 2001, 2004, and 2006.

The current overall occupancy of the property is 97.0%. The expiry of CRU space does not represent more than 7.2 % of total GLA in any one of the next five years.

Profile of Tenants greater than 15,000 square feet			
Anchor/Major Tenants	Area (SF)	% of Area	Lease Expiry
Canadian Tire	129,569	20.4%	October 2014
Zellers	121,523	19.1%	October 2023
Goodlife Fitness	58,062	9.1%	December 2020
Winners	28,578	4.5%	August 2016
HomeSense	26,299	4.1%	January 2017
Sport Chek	18,477	2.9%	October 2016
Old Navy	17,394	2.7%	May 2021
The Bay (Shadow Anchor)	n/a	n/a	-
Sub-Total	399,902	62.9%	
Non-Anchor Tenants	217,326	34.2%	
Vacant	18,772	3.0%	
Total Property Area (Owned)	636,000	100.0%	

Tecumseh Mall

Tecumseh Mall is located at the intersection of Tecumseh Road East and Lauzon Parkway within the east end of Windsor, Ontario. The primary trade area for Tecumseh Mall is estimated at 101,000 people, and its secondary trade area at an additional 24,000 people.

Tecumseh Mall is a 373,000 square foot single-level enclosed community shopping centre. The Centre is anchored by Zellers, Goodlife Fitness and Sobeys, and one major tenant: Shoppers Drug Mart. The 2010 average CRU sales performance was \$275 per square foot for the year ended December 31, 2010.

The Centre is situated on an overall 52.5 acre site including 7.6 acres of vacant land available for development. The Centre was originally constructed in 1973 and has undergone expansions and renovations in 1986, 1999, 2001 and 2010.

The current overall occupancy of the property is 93.9%. The expiry of CRU space does not represent more than 6.5% of total GLA in any one of the next five years.

Profile of Tenants greater than 15,000 square feet			
Anchor/Major Tenants	Area (SF)	% of Area	Lease Expiry
Zellers	114,267	30.6%	August 2019
Goodlife Fitness	52,551	14.1%	April 2019
Sobeys	52,097	14.0%	March 2016
Shoppers Drug Mart	17,865	4.8%	October 2020
Sub-Total	236,780	63.5%	
Non-Anchor Tenants	113,474	30.4%	
Vacant	22,746	6.1%	
Total Property Area	373,000	100.0%	

St. Albert Centre

St. Albert Centre is located along St. Albert Trail (Highway #2) in the City of St. Albert, Alberta, with a population of 60,000. The primary trade area for St. Albert Centre is estimated at 64,000 people, and its secondary trade area at an additional 16,000 people.

St. Albert Centre is a 312,000 square foot single-level enclosed community shopping centre. The Centre is anchored by Zellers and the Bay, and one major tenant: Winners. The 2010 average CRU sales performance was \$397 per square foot for the year ended December 31, 2010.

The total site area is approximately 27.52 acres. The Centre was originally constructed in 1980 and underwent interior renovations in 1995.

The current overall occupancy of the property is 96.0%. The expiry of CRU space does not represent more than 7.5% of total GLA in any one of the next five years.

Profile of Tenants greater than 15,000 square feet			
Anchor/Major Tenants	Area (SF)	% of Area	Lease Expiry
Zellers	94,618	30.3%	August 2017
The Bay	93,313	29.9%	April 2020
Winners	24,565	7.9%	January 2014
Sub-Total	212,496	68.1%	
Non-Anchor Tenants	87,022	27.9%	
Vacant	12,482	4.0%	
Total Property Area	312,000	100.0%	

Place Vertu

Place Vertu is located at the intersection of Cavendish and Cote-Vertu Boulevard in the municipality of Saint-Laurent, Quebec. The primary trade area for Place Vertu is estimated at 90,000 people, and its secondary trade area at an additional 93,000 people.

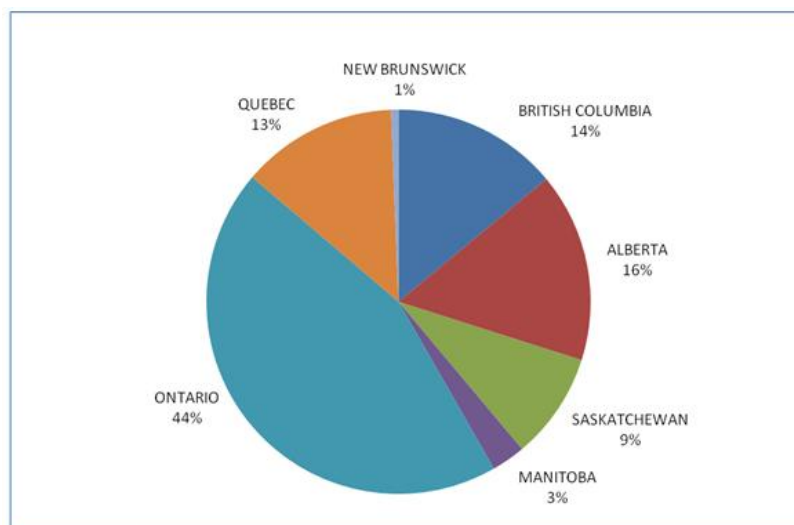
Place Vertu includes an 832,000 square foot single-level enclosed regional shopping centre of which 636,000 square feet is owned, and a 102,000 square foot 9-storey, Class 'B' office tower. The Centre is anchored by Zellers and Canadian Tire. Sears (not owned) is attached to the centre and acts as a Shadow Anchor. Additionally there are three major tenants: Adonis, Winners, Sirens/Urban Planet. The 2010 average CRU sales performance was \$286 per square foot for the year ended December 31, 2010.

The Place Vertu complex is situated on a 43.6 acre site excluding the Sears owned lands. The retail component of Place Vertu was originally constructed in 1975 with expansions and renovations taking place in 1984-1987, 1990 and 2007-2011. The office building was constructed in 1990 and since that time has undergone several major capital improvements.

The current overall occupancy of the complex is 83.2%. The expiry of CRU/office space does not represent more than 6.5 % of total GLA in any one of the next five years.

Profile of Tenants greater than 15,000 square feet			
Anchor/Major Tenants	Area (SF)	% of Area	Lease Expiry
Zellers	123,975	16.8%	November 2022
Canadian Tire	105,086	14.2%	October 2014
Adonis	39,826	5.4%	May 2024
Winners	24,238	3.3%	August 2018
Sirens / Urban Planet	15,315	2.1%	July 2018
Sears	n/a	n/a	
Sub-Total	308,440	41.8%	
Non-Anchor Retail Tenants	225,702	30.6%	
Vacant	101,858	13.8%	
Total Retail Area	636,000	86.2%	
Office Tower	92,870	12.6%	
Vacant	9,130	1.2%	
Total Property Area (Owned)	738,000	100.0%	

Geographic diversification



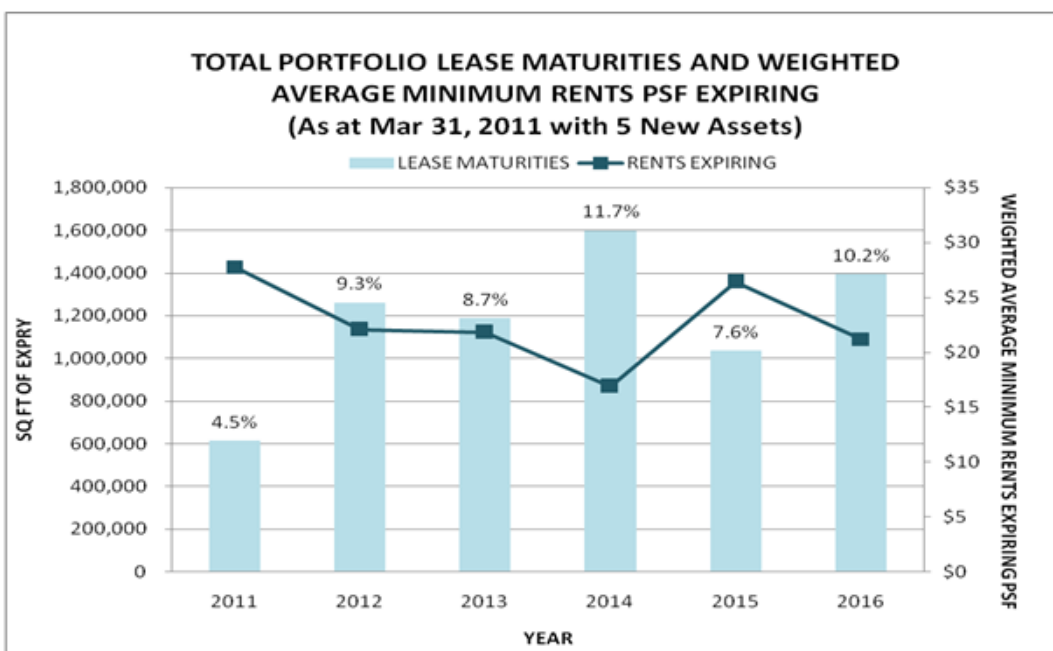
The data shown here represents the pro forma combination of Primaris Retail REIT's existing assets and Oakville Place, Burlington Mall, Tecumseh Mall, St Albert Centre and Place Vertu as at March 31, 2011.

Primaris' top ten tenants

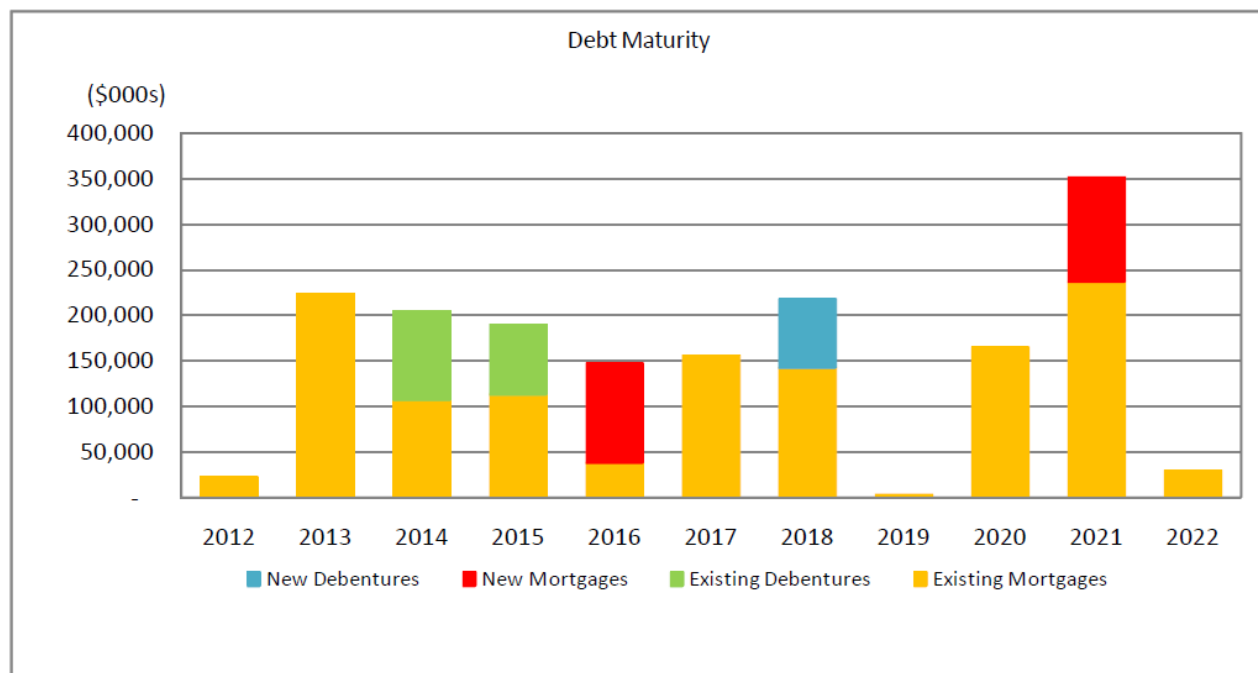
As of March 31, 2011				
Tenant Groups		Percentage of Total Annual Minimum Rent	Area (Sq. ft.)	Weighted Average Lease Term to Maturity (Years)
1	HBC	7.3%	3,090,525	7.3
2	YM	2.7%	251,987	4.0
3	Sears	2.6%	1,404,782	6.6
4	Shoppers Drug Mart	2.5%	205,975	5.9
5	Forzani	2.3%	415,883	4.2
6	Reitmans	2.1%	178,455	3.8
7	Canadian Tire	1.8%	465,335	6.4
8	Bell Canada	1.6%	90,372	4.7
9	Loblaws	1.5%	323,613	5.5
10	Best Buy	1.4%	183,880	3.5
		25.8%		

The data shown here represents the pro forma combination of Primaris Retail REIT's existing assets and Oakville Place, Burlington Mall, Tecumseh Mall, St Albert Centre and Place Vertu as at March 31, 2011.

Primaris lease expiry



The data shown here represents the pro forma combination of Primaris Retail REIT's existing assets and Burlington Mall, Oakville Place, Tecumseh Mall, St. Albert Centre and Place Vertu.



The data shown here represents the pro forma combination of Primaris Retail REIT's existing assets and Burlington Mall, Oakville Place, Tecumseh Mall, St. Albert Centre and Place Vertu. The new mortgages shown in years 2016 and 2021 are Primaris Retail REIT's current estimate of the debt that will be placed on two of the properties being acquired.

Primaris property list sales performance

(for the 12 months ended February 28, 2011)

	Same Tenant Sales per Square Foot (\$)
Midtown Plaza	555
Dufferin Mall	537
Cornwall Centre	532
Stone Road Mall	511
Sunridge	508
Park Place	503
Woodgrove	495
Oakville Place	490
Orchard Park Shopping Ctr	466
Cataraqui Town Centre	459
Place d'Orleans	454
Northland Village	452
Grant Park	450
Place du Royaume	402
St. Albert Centre	397
Aberdeen Mall	393
Burlington Mall	389
Lambton Mall	372
Eglinton Square Shopping Ctr	341
Place Fleur de Lys	323
Heritage Place	298
Place Vertu	286
Tecumseh Mall	275

The data shown here represents the pro forma combination of Primaris Retail REIT's existing assets as at February 28, 2011 and Burlington Mall, Oakville Place, Tecumseh Mall, St. Albert Centre and Place Vertu as at December 31, 2010.

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