PARTNERS REIT ANNOUNCES STRONG GROWTH IN FIRST QUARTER 2012

VICTORIA, BRITISH COLUMBIA – May 10, 2012 – **Partners Real Estate Investment Trust**, (TSX - PAR.UN) announced today strong growth and solid performance for the three months ended March 31, 2012.

FIRST QUARTER 2012 HIGHLIGHTS:

- NOI rises 93%, Net Income rises 237%, and FFO per unit and AFFO per unit are up 127% and 122%, respectively, for the first quarter of 2012 on contribution from acquisitions and solid same property performance in comparison to the same prior year quarter;
- Cash distributions on FFO were 90% compared to 106% previously, while cash distributions on AFFO were 99% compared to 114% previously;
- Purchase of seven properties in first quarter of 2012 for total acquisition costs of $128 million significantly expands and strengthens portfolio;
- Subsequent to quarter end, acquired a 36,100 square foot retail centre in Grand Bend, Ontario for $7.9 million;
- Successful completion of a $22.7 million bought deal equity offering (including the exercise of 90% of the overallotment option);
- Unit consolidation concluded on February 14, 2012 on a four-for-one basis;
- Strengthened balance sheet and liquidity position with the asset acquisition from NorRock Realty Finance Corporation (the "NorRock transaction") on February 1, 2012; and
- Received final approval to list securities on Toronto Stock Exchange.

"The significant growth and strong operating performance demonstrated in 2011 continued in the first quarter of 2012," commented Adam Gant, Chief Executive Officer. "Looking ahead, we expect our results will continue to improve as our recent acquisitions make a full contribution to our cash flows, our portfolio expands further through targeted strategic and accretive acquisitions, and our property management activities result in enhanced occupancies and average rents."

Significant Growth

During the first quarter of 2012 the REIT acquired seven well-located retail properties in Alberta, Ontario and Quebec aggregating approximately 495,000 square feet of gross leasable area ("GLA") for a total purchase price of approximately $123.6 million (excluding acquisition costs). Subsequent to the quarter-end the REIT completed the purchase of another Ontario-based retail shopping centre containing approximately 36,100 square feet of GLA for a purchase price of approximately $7.9 million. The acquisitions were funded by the assumption of mortgages, an equity bought deal offering completed on February 8, 2012, cash from operations, the REIT's credit facilities, and proceeds from the NorRock transaction.

With the acquisitions completed during and subsequent to the quarter, the REIT's portfolio currently consists of 29 well-located retail properties in Ontario, Quebec, Manitoba, British Columbia and Alberta aggregating approximately 2.2 million square feet of GLA.

Strong Operating Performance

Weighted average occupancy at March 31, 2012 was 95.9% compared to 97.6% last year. The decrease is due primarily to lower occupancies at certain recently acquired properties and recent vacancies from other properties due to ongoing redevelopment and re-merchandising initiatives.

Net Operating Income ("NOI") increased by $2.8 million or 93% while Net Income increased by $2.5 million or 237% in the first quarter of 2012 due primarily to the contribution from acquisitions completed over the last twelve months and strong 5% growth in same property NOI in the quarter compared to the same prior-year period.

Funds from Operations ("FFO") more than doubled to $2.5 million ($0.18 per unit) in the first quarter of 2012 from $1.1 million ($0.14 per unit) in the first quarter of the prior year. The increase was due primarily to the contribution from acquisitions and increased same property NOI. The REIT's growth was accretive on a per Unit basis despite the

85% increase in the weighted average number of units outstanding for the three months ended March 31, 2012 compared to the same prior-year period.

Active Leasing

Management remains committed to actively pursuing new leases and lease renewals with the objective of increasing occupancy and weighted average rental income per square foot of gross leasable area. One of the REIT's goals is to generate organic growth through redevelopment and lease renewal activities at its existing centres. As of May 10, 2012 the REIT had lease renewals of 58,199 square feet. Management expects the portfolio's occupancy rate to improve in 2012 from property acquisitions and new/renewed leases.

Solid Financial Position

As at March 31, 2012 the REIT's ratio of debt to gross book value including debentures was 64.1% and the debt to gross book value excluding debentures was 57.4% compared to 73.0% and 62.9%, respectively, at December 31, 2011 and 67.4% and 54.3%, respectively, at March 31, 2011. Interest coverage and debt service coverage ratios remained a conservative 1.66 times and 1.24 times, respectively, as at March 31, 2012. During the first quarter of 2012 the REIT acquired, assumed and increased mortgages totaling approximately $54.9 million on properties acquired during the period. Overall, the REIT's mortgage portfolio incurred a weighted average effective interest rate of 4.66% at March 31, 2012 with a weighted average term to maturity of approximately four years. Over the next two years, the REIT has approximately $21.0 million of debt maturing which carries an average contractual interest rate of 5.91%. Management expects to refinance this debt at lower interest rates, positively impacting the REIT's future cash flows. Interest expense savings from refinancing at current market rates are anticipated to continue through 2012 and into the following year.

Recent Events

On February 1, 2012, the REIT completed the acquisition of substantially all of the assets of NorRock Realty Finance Corporation ("NorRock"), consisting of cash, cash equivalents, mortgages and other assets of NorRock, in exchange for the issuance of Partners REIT units, certain rights to acquire Partners REIT units, and cash. The acquisition, combined with a successful equity offering described below, significantly enhances the REIT's liquidity position providing Management with the resources and the flexibility to continue prudently expanding and strengthening its property portfolio through acquisitions as well as through the redevelopment and remerchandising of certain properties. Full details of the transaction can be found in the REIT's Management Discussion and Analysis for the year ended December 31, 2011 and other regulatory filings.

On February 10, 2012, the REIT received approval from the Toronto Stock Exchange to consolidate its issued and outstanding units on the basis of one post-consolidation unit for every four pre-consolidation units. The exercise price and number of units issuable upon the exercise of outstanding options, warrants and convertible debentures will be proportionately adjusted with the implementation of the unit consolidation. The post-consolidation of the units began trading on the Toronto Stock Exchange on February 14, 2012. Full details of the transaction can be found in the REIT's Management Discussion and Analysis for the year ended December 31, 2011 and other regulatory filings.

On February 8, 2012 the REIT closed a public offering of 2,688,250 at a price of $7.44 per unit representing gross proceeds of approximately $20 million, on a bought deal basis, to a syndicate of underwriters. On March 6, 2012 the REIT received notice that the underwriters would exercise their over-allotment option to purchase an additional 360,812 units at the same offering price. The net proceeds to the REIT from the public offering, net of underwriters' fees and including the overallotment option, was approximately $21.6 million. The net proceeds were used to pay out a loan facility entered into in connection with certain property purchases and to pay down a portion of the REIT's Acquisition Facility advanced in respect of a property purchase completed in 2011.

On March 30, 2012 the REIT announced that it received final approval to list its securities on the Toronto Stock Exchange (TSX).

On April 30, 2012 the REIT completed the acquisition of Grand Bend Towne Centre, a 36,100 square foot centre comprised of a Sobeys grocery store with a lease extending to April 2023 and a Shoppers Drug Mart with a lease extending to September 2017. The REIT paid $7.9 million for the property, satisfied by the assumption of an existing mortgage of approximately $3.2 million, originally maturing July 2017, with an effective interest rate of 3.85%. The mortgage was increased by approximately $0.8 million at an interest rate of 3.6% and will mature with the original mortgage. The balance of the acquisition was satisfied by the REIT's available funds on hand.

Investor Conference Call

A conference call to discuss the recent operating and financial results will be hosted by Adam Gant, Chief Executive Officer and Patrick Miniutti, President and Chief Operating Officer, and Tony Quo Vadis, Chief Financial Officer on Monday May 14, 2012 at 1:00 pm ET (10.00 am PT). The telephone numbers for the conference call are Local / International: (416) 849-2698 and North American Toll Free: (866) 400-2270. The telephone numbers to listen to the call after it is completed (Instant Replay) are Local / International (416) 915-1035 or North American toll free (866) 245-6755. The Passcode for the Instant Replay is 70897#.

Financial Highlights

Three months ended	**Mar. 31, 2012**	Mar. 31, 2011
Revenues from income producing properties	**$ 9,077,958**	$ 4,959,732
Net income and comprehensive income	**3,606,508**	1,067,938
Net income per unit - basic and diluted	**0.25**	0.14
NOI (1)	**5,787,976**	3,006,497
NOI - same property (1)	**2,919,304**	2,770,443
FFO(1)	**2,511,115**	1,107,832
FFO per unit(1)	**$0.18**	0.14
AFFO(1)	**2,283,565**	1,028,725
AFFO per unit(1)	**0.16**	0.13
Distributions(2)	**2,342,807**	1,238,643
Distributions per unit(2)	**0.16**	0.16
Cash distributions(3)	**2,265,273**	1,178,076
Cash distributions per unit(3)	**0.16**	0.15
Cash distribution payout ratio(4)	**90% / 99%**	106% / 114%

As at	**Mar. 31, 2012**	Dec. 31, 2011	Mar. 31, 2011
Total assets	**$ 410,601,523**	$ 265,748,040	$ 200,337,867
Total debt(5)	**$ 270,408,728**	$ 202,592,032	$ 143,165,292
Total equity	**$ 126,954,979**	$ 56,406,374	$ 53,748,293
Weighted average units outstanding - basic	**14,306,130**	7,745,519	7,731,909
Debt-to-gross book value including debentures(5)	**64.1%**	73.0%	67.4%
Debt-to-gross book value excluding debentures(5)	**57.4%**	62.9%	54.3%
Interest coverage ratio(6)	**1.66**	1.70	1.71
Debt service coverage ratio(6)	**1.24**	1.26	1.35
Weighted average interest rate(7)	**4.66%**	4.95%	5.42%
Portfolio occupancy	**95.9%**	98.0%	97.6%

(1) Net operating income or "NOI", funds from operations or "FFO", and adjusted funds from operations or "AFFO" are non-IFRS financial measures widely used in the real estate industry. See "Part II – Performance Measurement" for further details and advisories.
(2) Represents distributions to unitholders on an accrual basis. Distributions are payable as at the end of the period in which they are declared by the Board of Trustees, and are paid on or around the 15th day of the following month. Distributions per unit exclude the 5% bonus units given to participants in the Distribution Reinvestment and Optional Unit Purchase Plan.
(3) Represents distributions on a cash basis, and as such, excludes the non-cash distributions of units issued under the Distribution Reinvestment and Optional Unit Purchase Plan.
(4) Cash distributions as a percentage of funds from operations/adjusted funds from operations.
(5) See calculation under "Debt-to-Gross Book Value" in "Part IV – Results of Operations."
(6) Calculated on a rolling four-quarter basis.
(7) Represents the weighted average effective interest rate for secured debt excluding the credit facilities, which have floating rates of interest.

For the complete Q1 2012 financial statements and Management's Discussion and Analysis, please visit www.sedar.com or www.partnersreit.com.

About Partners REIT

Partners REIT is a growth-oriented real estate investment trust, which currently owns (directly or indirectly) 29 retail properties located in Ontario, Quebec, Manitoba, Alberta and British Columbia aggregating approximately 2.1 million square feet of leasable space. Partners REIT focuses on expanding and managing a portfolio of retail and mixed-use community and neighbourhood shopping centres located in both primary and secondary markets across Canada.

Certain statements included in this press release constitute forward-looking statements, including, but not limited to, those identified by the expressions "expect," "will" and similar expressions to the extent they relate to Partners REIT. The forward-looking statements are not historical facts but reflect Partners REIT's current expectations regarding future results or events. These forward looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the timing of the offering, success of the offering, listing of the units, use of proceeds of the Offering, access to capital, regulatory approvals, intended acquisitions and general economic and industry conditions. Although Partners REIT believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein.

For more information, contact Patrick Miniutti, President and Chief Operating Officer (250) 940-5530.