



Investor Presentation

June 2012

Primaris 
Retail Real Estate
Investment Trust



Presentation Overview

- **Strategic Objectives**
- **Operational Highlights**
- **Financial Highlights**
- **Governance and Management**
- **Outlook**





Strategic Objectives

- **Generate reliable and growing cash distributions**
- **Maximize unit value**
- **Expand asset base**

Primaris' Defined Property Strategy:

- **Mid-market retail centres in major cities**
- **Major retail centres in secondary cities**
- **Other complementary assets**



Canada's Dynamic Retail Market



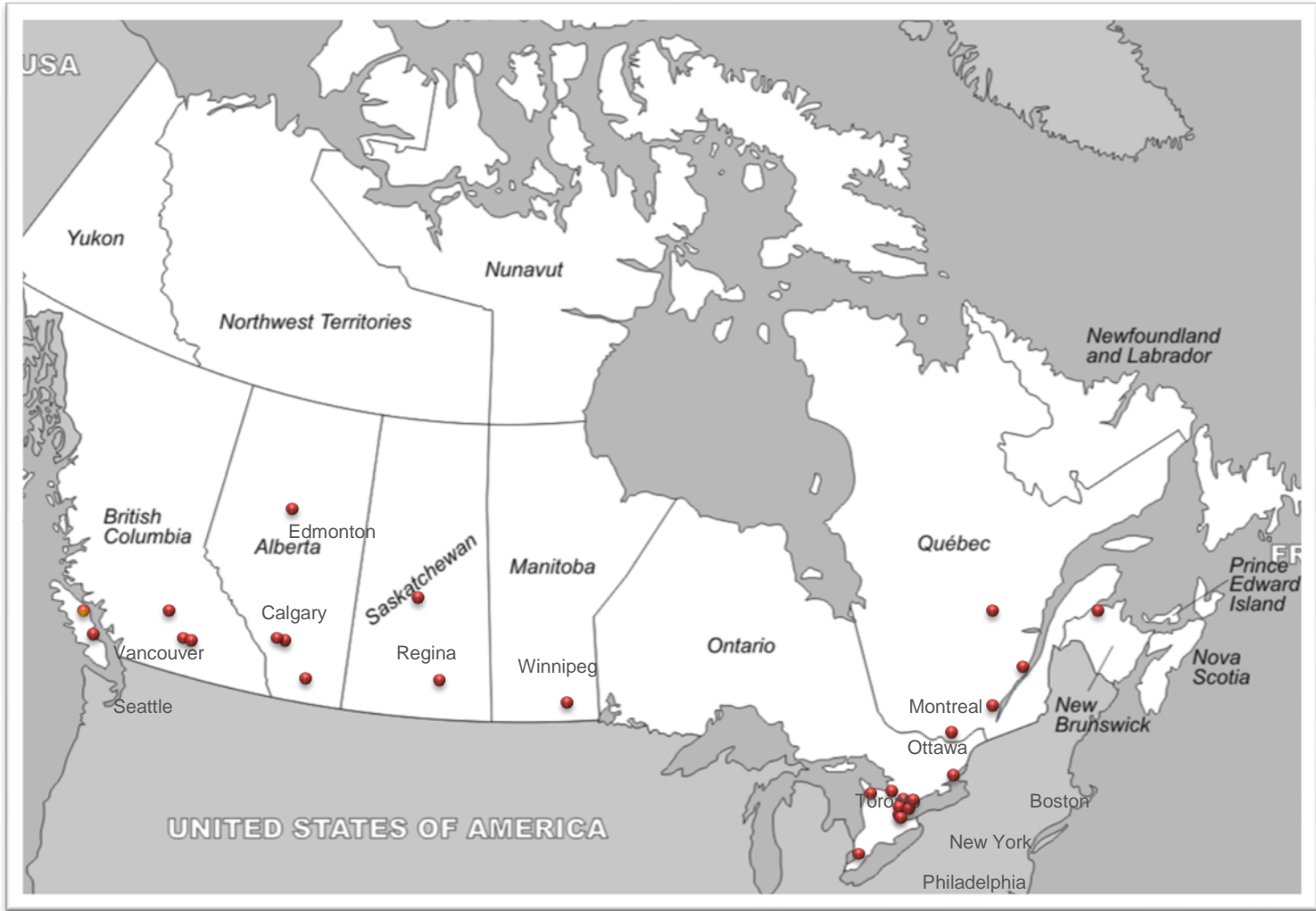
Type of Centre	Size	Number of Centres
Super-Regional	>900,000	38
Regional	450,000 – 900,000	117
Community	100,000 – 450,000	1042
Power Centre		487
Neighbourhood	<100,000	2350

Source: CSCA, Rogers Directory of Shopping Centres





PMZ Portfolio





Acquisition – Driftwood Mall



Driftwood Mall



- The acquisition of Driftwood Mall for \$45.2 million was completed on May 2, 2012
- Driftwood Mall is a single-level enclosed community shopping centre in Courtenay, British Columbia
- Target expansion in 2013 will increase the total leasable area to 260,058 square feet
- We expect the year one NOI return on purchase price to be 6.1% increasing to 6.4% in year two





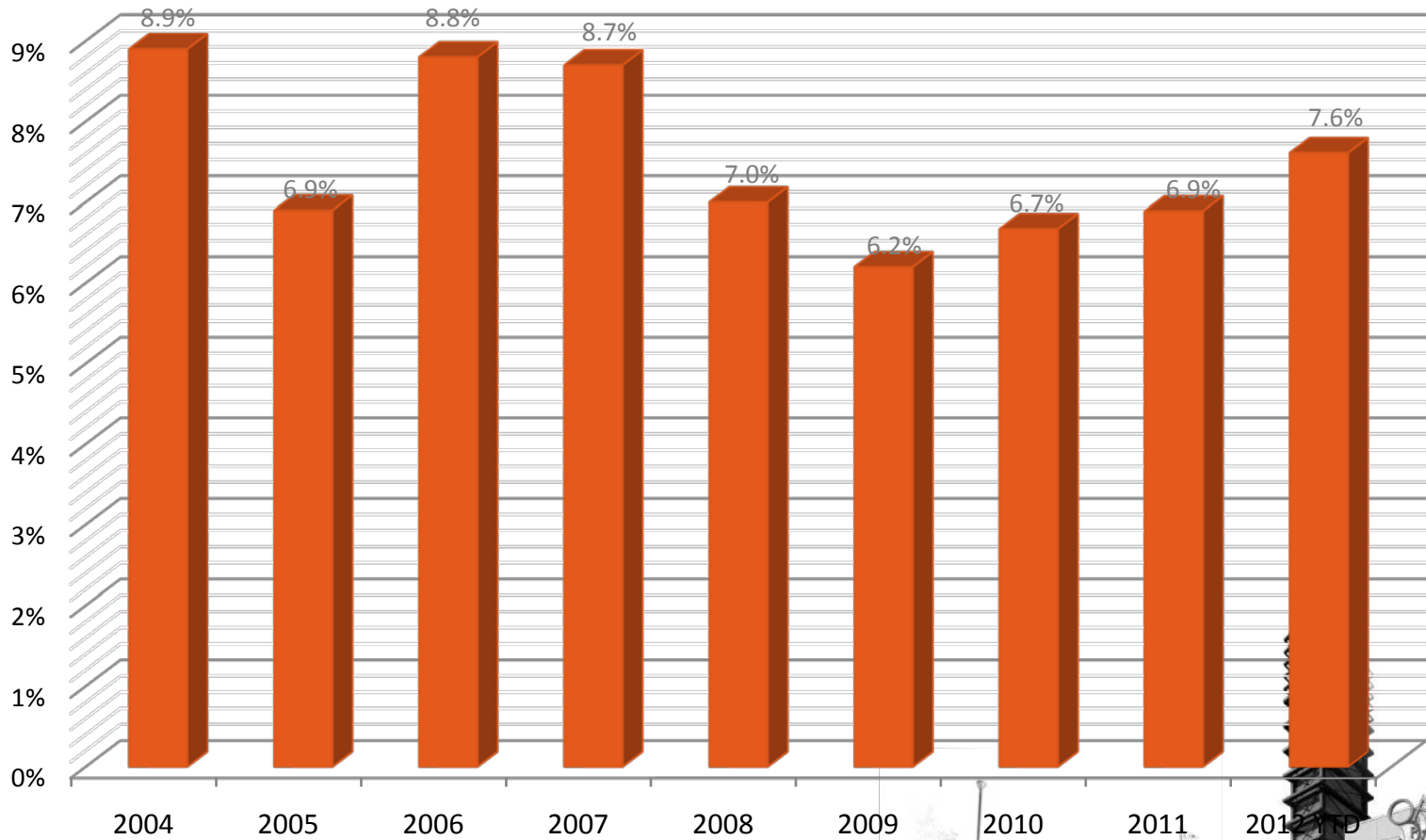
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Average Rent Increase on Lease Renewals



Operational Highlights

(For the three months ending March 31, 2012)

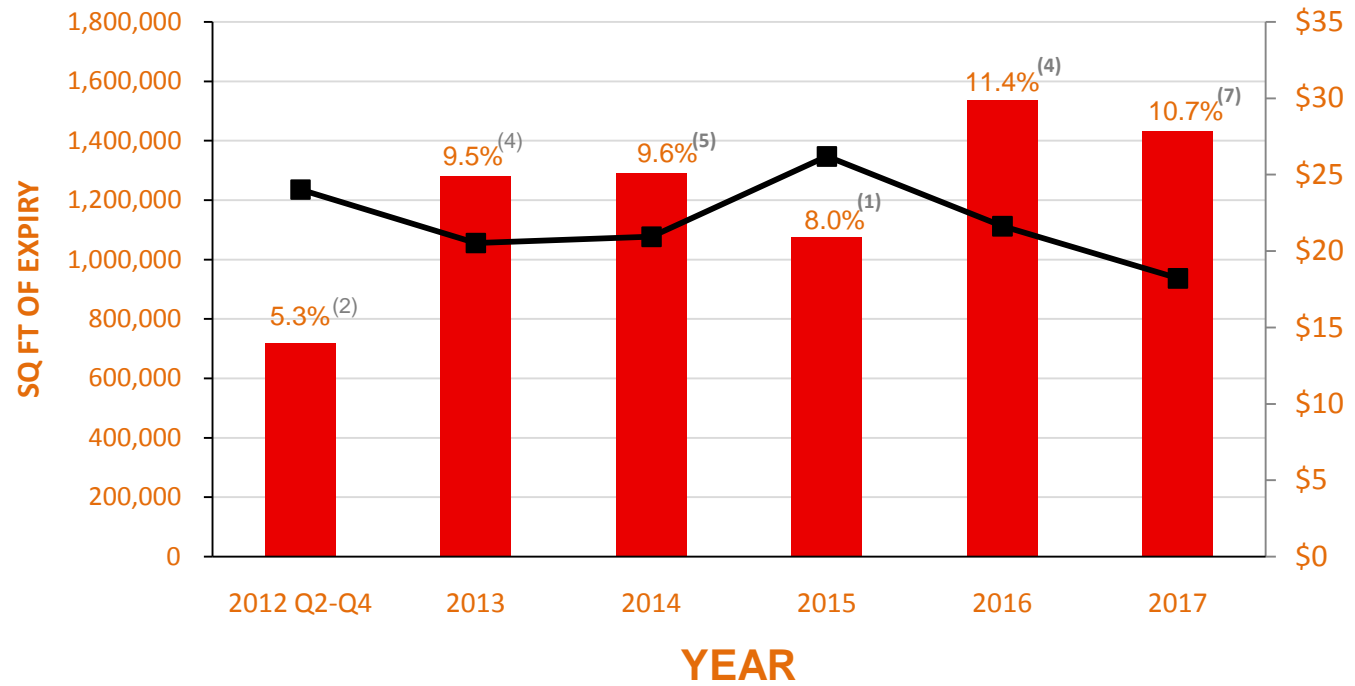
- Primaris same property sales productivity average: **\$466** p.s.f.
- Primaris sales productivity Y-O-Y: **-0.6%**
- Primaris Q1 same property NOI Growth Y-O-Y: **2.8%**
- Primaris leasing activity:
 - 139 leases; 529,547 square feet; 76.5% of leasing activity was renewals
- Weighted average:
 - Increase over previous rent paid for renewals: 6.5% (7.6% excluding major tenants)
- Occupancy rate 96.7% at March 31, 2012





Portfolio Lease Maturities

Total Portfolio Lease Maturities and Weighted Average Minimum Rents PSF Expiring



(#) indicates the number of Anchor Stores

Lease maturities are no greater than 11.4% of the portfolio in any year between 2012 Q2-Q4 and 2017.



Ten Largest Tenants

(For the period ending March 31, 2012)



Tenant Groups	Percentage of Total Annual Gross Rent	Area (Sq. ft.)	Weighted Average Lease Term to Maturity (Years)
1 Hudson's Bay Company	4.4%	1,993,118	6.5
2 Canadian Tire	3.8%	886,735	5.1
3 YM (Suzy Shier, Stitches, Bluenotes)	2.7%	242,629	3.6
4 Reitmans	2.5%	189,024	3.9
5 Sears	2.4%	1,208,334	6.6
6 Shoppers Drug Mart	2.3%	189,773	5.8
7 Target	2.2%	952,454	7.3
8 Bell Canada	1.8%	94,466	4.6
9 Comark (Cleo, Bootlegger, Ricki's)	1.6%	106,318	4.3
10 Best Buy	1.6%	221,412	3.9

25.3%

Note: The tenant groups shown above represent different corporate covenants that fall within a given tenant group.



Grand Opening dates for Targets stores



2013	Mall	Location
April	Burlington Mall	Burlington, ON
May	St. Albert Centre	St. Albert, Edmonton, AB
July	Cataraqui Centre	Kingston, ON
July	Driftwood Mall	Courtenay, BC
September	Sunridge Mall	Calgary, AB
September	Fleur-de-Lys Shopping Centre	Québec City, QC
September	Place d'Orleans	Ottawa, ON
September	Place Vertu	Montreal, QC
November	Grant Park Shopping Centre	Winnipeg, MB





Target Timeline

6 months



6-9 months

Zellers gets Notice

Construction starts

Target opens





Primaris – Zellers locations

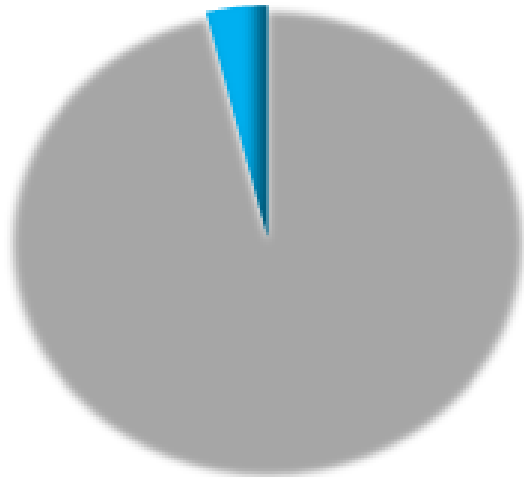
LOCATION	AREA	LEVELS
Conversions		
Burlington Mall	121,523 sf	1
Cataraqui Centre	115,307 sf	2
Grant Park	116,573 sf *	1
Place d'Orleans	116,598 sf	1
Place Fleur de Lys	115,000 sf	1
Place Vertu	123,975 sf	2
St. Albert Centre	94,618 sf *	1
Sunridge Mall	143,750 sf *	2
Driftwood Mall	83,047 sf *	1
Non-Conversions		
Alliston Mills	93,024 sf	1
Heritage Place	67,138 sf	1
Sugarloaf Mall	94,481 sf	1
Tecumseh Mall	114,267 sf	1



Asset Type Diversification



Asset Type Diversification of Portfolio
(Based on Square Footage: As at July 2003)



- ENCLOSURE SHOPPING CENTRES
- UNENCLOSED RETAIL

Asset Type Diversification of Portfolio
(Based on Square Footage: As at March 31, 2012)



- ENCLOSURE SHOPPING CENTRES
- UNENCLOSED RETAIL
- OTHER

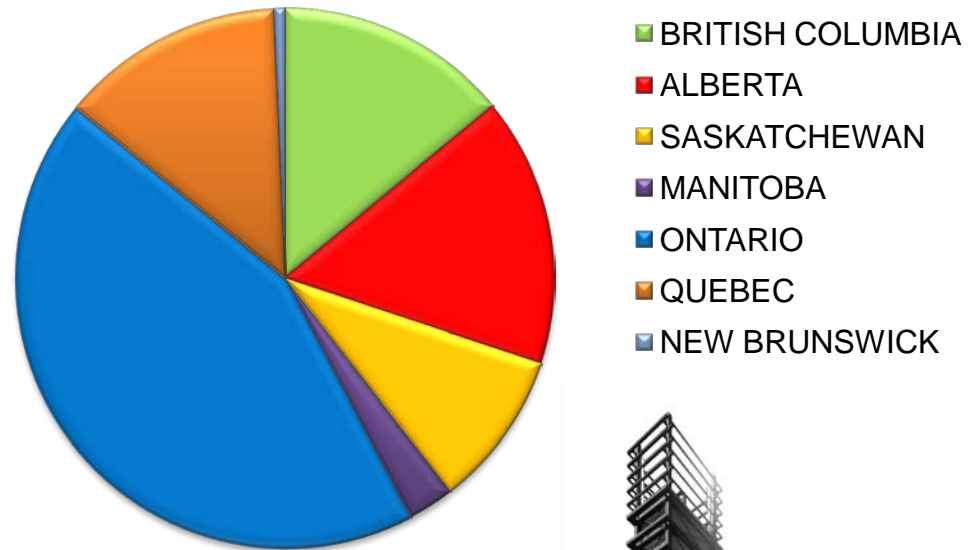
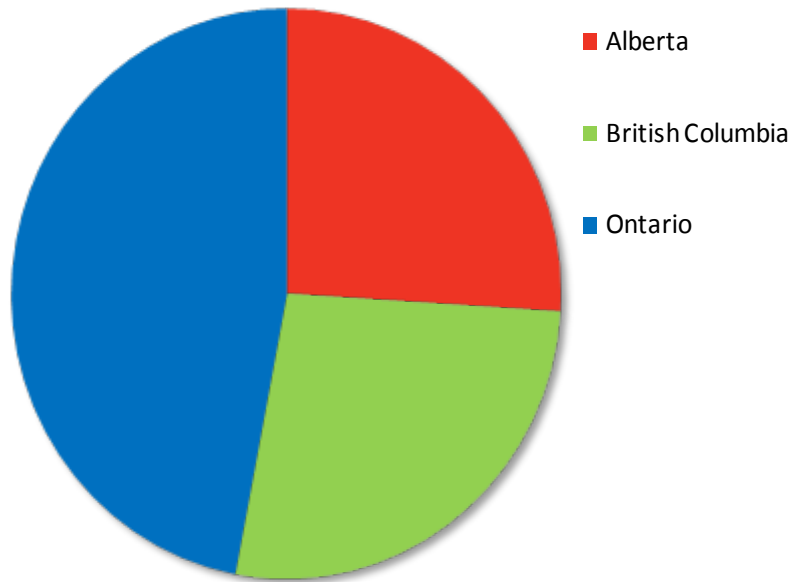


Geographic Diversification



Geographic Diversification of Portfolio
(Based on Minimum Rent: As at July 2003)

Geographic Diversification of Portfolio
(Based on Minimum Rent: As at March 31, 2012)



Shopping venues most often visited



ICSC Survey: 2009 Shopping Habits Report





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Net Income and Distributions

	Q1 – 2012	Q1 - 2011
Revenue	\$ 100.4 mm	\$ 81.9 mm
Net Income	26.9 mm	5.0 mm
Cash Distributions	25.6 mm	25.0 mm
Cash Distributions per unit	.305	.305





Total Capitalization

(As at March 31, 2012)

	March 31	Pro Forma
Secured Debt	\$ 1,418 mm	\$ 1,418 mm
Bank Indebtedness	27 mm	-
Convertible Debenture	230 mm	227 mm
Equity	1,833 mm	2,050 mm
Total Market Capitalization	3,495 mm	3,695 mm
Number of Units	84,697,928	89,897,661



Mortgages Payable – Debt Maturities

As at March 31, 2012 (expressed in millions)

Year	Debt Maturity (\$)	Annual (\$)	Security
2012 remainder	21	25	Eglinton Square
2013	214	31	Stone Road, Cornwall, Alliston, Woodgrove
2014	98	30	Aberdeen, Midtown
2015	97	28	
2016	130	25	
Thereafter	648	77	
Total	1208	216	





Liquidity

As at March 31, 2012

- **\$700 mm acquisition capacity**
- **\$100 mm operating line (\$ 27 mm drawdown)**
- **\$31 mm per year principal payments**
- **No mezzanine loans to be funded**





Long-Term Debt

- Debt limited to 65% of total asset value
- Current long term debt at 46.0% of total asset value
- Two types of debt:
 - 98.4% of debt is at fixed rates, with a weighted average interest rate of 5.4% and an average term to maturity of 5.5 years
 - Less than 15% of debt is fixed rate convertible debentures with interest rates of 6.75%, 6.3%, 5.85% and 5.40%





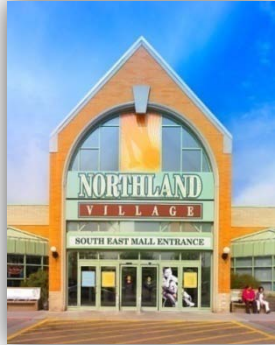
Portfolio Growth

	July 2003	March 31, 2012
Book Value	\$436 mm	\$3,560 mm
Total GLA	2.76 mm sf	13.5 mm sf
Portfolio Occupancy	96%	96.7%





Portfolio: West



Northland Village
Calgary, AB



Aberdeen Mall
Kamloops, BC



Cornwall Centre
Regina, SK



Park Place Mall
Lethbridge, AB



Sunridge Mall
Calgary, AB



Orchard Park Shopping Centre
Kelowna, BC



Midtown Plaza
Saskatoon, SK



Woodgrove Centre
Nanaimo, BC





Portfolio: East



Fleur de Lys
Quebec City, QC



Stone Road Mall
Guelph, ON



Place d'Orleans
Ottawa, ON



Dufferin Mall
Toronto, ON



Place du Royaume
Saguenay, QC



Burlington Mall
Burlington, Ontario



Oakville Place
Oakville, ON



Cataraqi Town Centre
Kingston, ON





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Board of Directors



Roland A. Cardy (1,4,5)
Trustee,
Chairman of the Board



Kerry D. Adams (1,2,4,5)
Trustee



William J. Biggar (1,2,3,4)
Trustee



John Morrison (3)
Trustee



Ian Collier (2,3,4)
Trustee



Ken Field (1,2,4,5)
Trustee



Brent Hollister (3,4,5)
Trustee

- 1 – Audit Committee
- 2 – Governance and Nominating Committee
- 3 – Distributions Committee
- 4 – Independent Trustee
- 5 – Compensation Committee



Senior Management Team

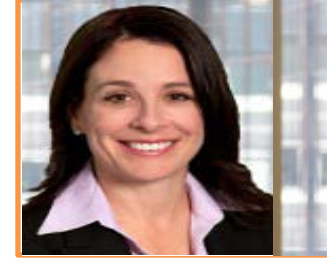


John R. Morrison
President & Chief Executive Officer

Louis M. Forbes
EVP & Chief Financial Officer

Patrick Sullivan
SVP, Portfolio Management

Devon Jones
Vice President, Legal



Ron Perlmutter
Vice President, Investment

Anne Morash
Vice President, Development

Lesley Gibson
Vice President, Finance

Toran Eggert
Vice President,
Portfolio Management, Eastern Canada



Leslie Buist
Vice President, Finance

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Unitholders*

Cohen & Steers	7,108,125	(8.8%)
CBRE Clarion Securities	6,073,430	(7.5%)
Blackrock (ETF)	3,764,466	(4.7%)
CI Investments Inc.	3,190,242	(4.0%)
Sentry Select Capital	2,994,500	(3.7%)
RBC Global Asset Management	2,503,293	(3.1%)

*Bloomberg, May 14, 2012





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Outlook

- **Primaris to cautiously pursue new acquisitions**
- **Primaris to look inwards for organic growth opportunities**
- **Greatest competition in acquisition remains in under \$20 mm category**
- **NCIB in place**
- **Capital safety, stable income, inflation protection**
- **Shopping centres resilient investments**



Strategic Objectives: *How Primaris Delivers*



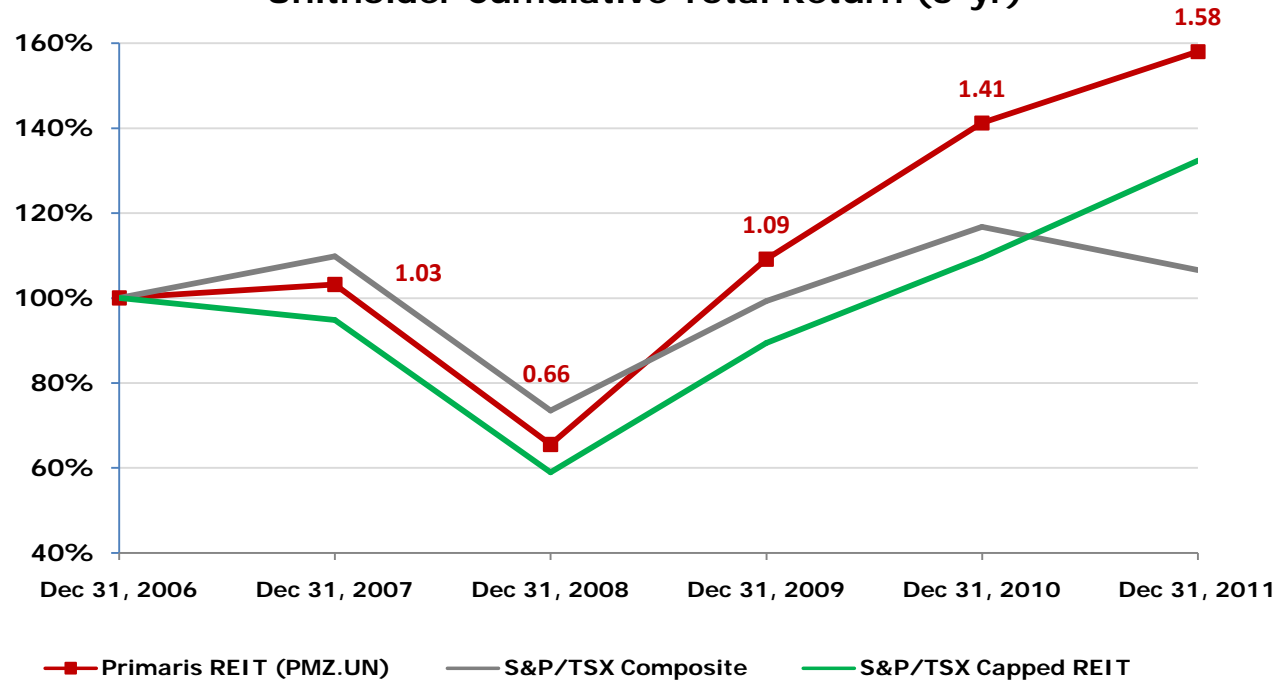
- **Generate stable and growing cash distributions**
 - Distributions have increased 19% since IPO, from \$0.0854 in July 2003 to \$0.1016 in December 2007, \$1.22 per annum
- **Maximize unit value**
 - Unit value increased 123% since IPO to 5/14/12
- **Expand asset base**
 - Portfolio has quintupled in GLA, from six assets totaling 2.8 mm square feet in July 2003 to 33 properties totaling 13.7 mm square feet at May 2, 2012.





Total Returns

Unitholder Cumulative Total Return (5-yr)





Key Ratios

Key Ratios

Period end	2012					2011				2010			
	March	Dec.	Sept.	June	March	Dec.	Sept.	June	March	Dec.	Sept.	June	March
Operating FFO/unit diluted	\$ 0.382	\$ 0.407	\$ 0.349	\$ 0.341	\$ 0.352	\$ 0.416	\$ 0.340	\$ 0.346	\$ 0.346	\$ 0.416	\$ 0.340	\$ 0.346	\$ 0.346
NI/unit diluted	\$ 0.285	\$ 1.664	\$ 0.902	\$ 0.509	\$ 0.064	\$ 4.479	\$ 0.729	\$ 0.792	\$ 0.094	\$ 4.479	\$ 0.729	\$ 0.792	\$ 0.094
Distributions/unit	\$ 0.305	\$ 0.305	\$ 0.305	\$ 0.305	\$ 0.305	\$ 0.305	\$ 0.305	\$ 0.305	\$ 0.305	\$ 0.305	\$ 0.305	\$ 0.305	\$ 0.305
FFO payout ratio	79.7%	74.9%	91.1%	89.3%	86.5%	73.2%	88.6%	88.0%	88.0%	73.2%	88.6%	88.0%	88.0%
Same property NOI (cash) growth rate	2.8%	0.5%	0.7%	0.7%	1.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Seasonal revenue in \$'000	4,153	\$ 6,821	\$ 3,689	\$ 3,297	\$ 3,008	\$ 5,316	\$ 3,313	\$ 3,158	\$ 2,983	\$ 5,316	\$ 3,313	\$ 3,158	\$ 2,983
EBITDA in \$'000	\$ 55,415	\$ 57,399	\$ 52,752	\$ 45,087	\$ 44,105	\$ 49,286	\$ 42,447	\$ 40,983	\$ 40,773	\$ 49,286	\$ 42,447	\$ 40,983	\$ 40,773
Interest Coverage	2.4	2.5	2.2	2.2	2.3	2.5	2.3	2.2	2.3	2.5	2.3	2.2	2.3
G&A \$	\$ 2,429	\$ 2,110	\$ 2,080	\$ 2,523	\$ 3,127	\$ 545	\$ 3,584	\$ 2,707	\$ 2,314	\$ 545	\$ 3,584	\$ 2,707	\$ 2,314
G&A \$ without FV on unit-based comp	\$ 1,965	\$ 2,002	\$ 1,621	\$ 2,435	\$ 2,199	\$ 501	\$ 2,903	\$ 2,568	\$ 2,284	\$ 501	\$ 2,903	\$ 2,568	\$ 2,284
Total revenue	\$ 100,438	\$ 104,063	\$ 96,589	\$ 82,752	\$ 81,949	\$ 84,247	\$ 78,564	\$ 74,362	\$ 76,378	\$ 84,247	\$ 78,564	\$ 74,362	\$ 76,378
G&A % of revenues	2.0%	1.9%	1.7%	2.9%	2.7%	0.6%	3.7%	3.5%	3.0%	0.6%	3.7%	3.5%	3.0%





Key Ratios

	2012					2011			
	March	Dec.	Sept.	June	March	Dec.	Sept.	June	March
Occupancy rate-committed	96.7%	97.1%	96.5%	95.7%	96.3%	97.1%	97.0%	96.6%	96.7%
Occupancy rate-economic	95.7%	96.5%	95.4%	94.8%	95.2%	96.7%	96.5%	96.0%	96.1%
Sales sf	\$ 466	\$ 458	\$ 453	\$ 454	\$ 451	\$ 443	\$ 442	\$ 445	\$ 446
Sales trend - same tenant	-0.6	-0.9%	-0.3%	-0.5%	-0.2%	-0.8%	-2.1%	-2.3%	-3.7%
Sales trend - all tenant	0.4	0.1%	0.1%	-0.2%	0.1%	-0.6%	-1.7%	-2.6%	-3.9%
rent lift (excl. anchors)	7.6%	7.8%	5.5%	7.3%	7.2%	9.0%	5.2%	5.9%	5.0%
Debt/Total Asset value	46.0%	46.5%	48.9%	49.2%	48.7%	47.9%	48.9%	46.7%	50.0%
Net Debt/EV	47.5%	49.6%	49.9%	49.3%	47.0%	50.2%	50.6%	49.1%	55.1%
Net Debt/EBITDA	7.5	7.3	8.0	9.4	7.7	6.9	8.1	7.3	7.9
EV/EBITDA	15.8	14.7	16.0	19.1	16.4	13.7	15.9	14.9	14.3
W.Avg. debt term in years	5.5	5.8	6.0	6.3	6.3	6.0	6.2	6.1	6.3
W.Avg. Interest rate	5.4%	5.4%	5.4%	5.5%	5.6%	5.7%	5.7%	5.7%	5.7%
% of Floating rate debt	1.6%	0.3%	0.4%	0.6%	0.0%	0.7%	1.1%	0.0%	1.3%
PUD % of Total Assets	0.2%	0.3%	0.1%	0.0%	0.2%	0.1%	0.1%	0.0%	0.0%
Average Lease Term	5.40	5.43	5.51	5.68	5.61	5.70	5.93	5.78	5.65
# properties	32	32	32	34	29	29	29	28	28
# square feet in millions	13.5	13.5	13.5	13.6	11.1	11.1	11.1	10.5	10.5

