



## Primaris Retail REIT and H&R Provide Transaction Update

Toronto (Ontario), March 19, 2013 – H&R Real Estate Investment Trust (“H&R REIT”) and H&R Finance Trust (“H&R Finance Trust”, collectively, “H&R”) (TSX: HR.UN; HR.DB.C; HR.DB.D; HR.DB.E) and Primaris Retail Real Estate Investment Trust (TSX: PMZ.UN) today announced minor changes to the previously announced transactions involving Primaris, H&R and a KingSett Capital-led consortium. The parties have agreed to make the following changes, which do not affect the consideration payable to Primaris unitholders:

- H&R REIT will now acquire St. Albert Centre, an enclosed shopping centre located in St. Albert, Alberta, pursuant to the plan of arrangement. The transaction previously contemplated the sale of St. Albert Centre by a Primaris subsidiary to KS Acquisition II LP, a 50/50 joint venture of KingSett Growth LP No. 5 and the Ontario Pension Board.
- Primaris and H&R have agreed to make certain minor amendments to the plan of arrangement that was included in the management information circular sent to Primaris unitholders and filed on SEDAR on February 22, 2013. The purpose of the amendments is to provide for the distribution to Primaris of cash received by Primaris subsidiaries on the sale of certain properties to the KingSett Capital-led consortium and to implement certain reorganization transactions as contemplated in the amended and restated arrangement agreement. A copy of the amended Plan of Arrangement has been filed on [www.sedar.com](http://www.sedar.com). The Primaris unitholders will vote on the plan of arrangement, as amended.
- Primaris and H&R have offered the holders of Primaris exchangeable units an opportunity to participate in the transaction by exchanging their current exchangeable units on a tax-deferred basis for new exchangeable units. Under this offer, each new exchangeable unit would be exchangeable for 1.166 H&R Stapled Units following the consummation of the transaction. Any agreement is subject to negotiation of definitive documentation. Upon completion of such documentation, the redemption notices sent to such holders would be withdrawn.

Under the Plan of Arrangement, Primaris unitholders may elect to receive \$28.00 in cash per Primaris unit, subject to an aggregate cash amount of approximately \$1.28 billion, or 1.166 H&R stapled units (1.166 H&R REIT units and 1.166 H&R Finance Trust units) per Primaris unit, in each case subject to proration.

**Unitholders of Primaris** are invited to attend a special meeting of unitholders of Primaris to be held on March 22, 2013 at 10:00 a.m. (Toronto time) at the Trump International Hotel & Tower Toronto, 325 Bay Street, Toronto, Ontario, Canada, M5H 4G3. Unitholders are urged to ensure their votes are cast no later than March 20, 2013 at 10:00 a.m. (Toronto time) to ensure that their Primaris units will be represented at the meeting, whether or not they are personally able to attend.

If you have any questions or need assistance to vote, please contact Primaris' proxy solicitation agent, Kingsdale Shareholder Services Inc., by toll-free telephone in North America at 1-866-581-1571, outside North America at 416-867-2272 or by email at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

**Unitholders of H&R** are invited to attend special meetings of unitholders of H&R REIT and H&R Finance Trust to be held on March 22, 2013 at 10:00 a.m. (Toronto time) at Hockey Hall of Fame, Spotlight Theatre, Brookfield Place, 30 Yonge Street, Toronto, Ontario. Unitholders are urged to ensure their votes are cast no later than March 20, 2013 at 5:00 p.m. (Toronto time) to ensure that their H&R REIT units and H&R Finance Trust units will be represented at the meetings, whether or not they are personally able to attend.

If you have any questions or need assistance to vote, please contact H&R's proxy solicitation agent, CST Phoenix Advisors, by e-mail at [inquiries@phoenixadvisorscst.com](mailto:inquiries@phoenixadvisorscst.com), by telephone at 1-866-822-1245 (toll-free within Canada or the United States) or 1-201-806-2222 (banks, brokers and collect calls outside Canada and the United States) or by fax at 1-888-509-5907 (North American Toll Free Facsimile) or 1-647-351-3176.

### **About H&R**

H&R REIT is an open-ended real estate investment trust, which owns a North American portfolio of 41 office, 113 industrial and 138 retail properties comprising over 44 million square feet and 2 development projects, with a fair value of approximately \$10 billion. The foundation of H&R's REIT success since inception in 1996 has been a disciplined strategy that leads to consistent and profitable growth. H&R REIT leases its properties long term to creditworthy tenants and strives to match those leases with primarily long-term, fixed-rate financing.

H&R Finance Trust is an unincorporated investment trust, which primarily invests in notes issued by a U.S. corporation, which is a subsidiary of H&R REIT. As at December 31, 2012, the note receivable balance is U.S. \$162.5 million. In 2008, H&R REIT completed an internal reorganization, which resulted in each issued and outstanding H&R REIT unit trading together with a unit of H&R Finance Trust as a "Stapled Unit" on the Toronto Stock Exchange.

### **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 and has retail tenants that offer new and exciting brands. Primaris owns 43 income-producing properties comprising approximately 15.9 million square feet located in Canada. As of February 28, 2013, Primaris had 100,743,915 units issued and outstanding (including exchangeable units for which units have yet to be issued).

### **Forward Looking Information**

This press release contains forward looking statements that reflect current expectations of each of Primaris and H&R about their future results, performance, prospects and opportunities, including with respect to the closing, costs and benefits of the proposed transaction and all other statements that are not historical facts. The timing and completion of the proposed transaction is subject to customary closing conditions, termination rights and other risks and uncertainties

including, without limitation, required regulatory, court, and unitholder approvals. Accordingly, there can be no assurance that the proposed transaction will occur, or that it will occur on the timetable or on the terms and conditions contemplated in this news release. The proposed transaction could be modified, restructured or terminated. Readers are cautioned not to place undue reliance on forward looking information. Each of Primaris and H&R 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 actual results, performance, prospects and opportunities in future periods of Primaris or H&R to differ materially from those expressed or implied by such forward looking statements.

**FOR FURTHER INFORMATION:**

**Primaris Unitholders**

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**H&R Unitholders**

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