



## **H&R Announces \$125 Million Offering of Stapled Units**

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### **FOR IMMEDIATE RELEASE**

TORONTO, November 20, 2012 – H&R Real Estate Investment Trust (the “REIT”) and H&R Finance Trust (“Finance Trust”, and collectively with the REIT, “H&R”) (TSX: HR.UN) have announced that H&R has entered into an agreement to sell, to a syndicate of underwriters co-led by CIBC and RBC Capital Markets, on a bought deal basis, approximately \$125.1 million of H&R stapled units at a price of \$23.60 per stapled unit. Closing is expected to occur on or about November 29, 2012, subject to receipt of the Toronto Stock Exchange and other necessary regulatory approvals. The underwriters will have an option to purchase up to an additional 1,060,000 stapled units at the same price, which option is exercisable up to 48 hours prior to closing.

The REIT’s portion of the net proceeds will be used for future acquisitions and the repayment of bank indebtedness and mortgage debt, including mortgages totaling \$69.7 million due February 1, 2013 which currently bear interest at 8.16% per annum. Upon repayment of these mortgages, the REIT will have an unencumbered pool of 26 income producing properties valued at approximately \$468.9 million. Finance Trust’s portion of the net proceeds of the offering will be used to subscribe for additional notes to be issued by H&R REIT (U.S.) Holdings Inc.

The offering is being made under H&R’s existing short form base shelf prospectus dated March 31, 2011. The terms of the offering will be described in a prospectus supplement to be filed with the applicable Canadian securities regulators.

### **About H&R REIT and H&R Finance Trust**

H&R REIT is an open-ended real estate investment trust, which owns a North American portfolio of 41 office, 116 industrial and 135 retail properties comprising over 43 million square feet and 3 development projects, with a fair value of approximately \$10.0 billion. The foundation of H&R REIT’s 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. The current note receivable is U.S. \$156.5 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.

### **Forward-looking Statements**

Certain statements in this news release contain forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements), including, in particular, H&R’s expectation regarding the closing of the offering and timing thereof, the use of proceeds of the offering and the description of the unencumbered pool of mortgages. Such forward-looking statements reflect H&R’s current beliefs and are based on information currently available to management. These statements are not guarantees of future performance and are based on H&R’s estimates and assumptions that are subject to risks and uncertainties, including those discussed in H&R’s materials filed with the Canadian securities regulatory authorities from time to time, which could cause the actual results and



performance of H&R to differ materially from the forward-looking statements contained in this news release. Those risks and uncertainties include, among other things, risks related to: prices and market value of securities of H&R; availability of cash for distributions; development and financing relating to the Bow development; restrictions pursuant to the terms of indebtedness; liquidity; credit risk and tenant concentration; interest rate and other debt-related risk; tax risk; ability to access capital markets; dilution; lease rollover risk; construction risks; currency risk; unitholder liability; co-ownership interest in properties; competition for real property investments; environmental matters; reliance on one corporation for management of substantially all of the REIT's properties and changes in legislation and indebtedness of H&R. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements include that the general economy is stable; local real estate conditions are stable; interest rates are relatively stable; and equity and debt markets continue to provide access to capital. H&R cautions that this list of factors is not exhaustive. Although the forward-looking statements contained in this news release are based upon what H&R believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. All forward-looking statements in this news release are qualified by these cautionary statements. These forward-looking statements are made as of today and H&R, except as required by applicable law, assumes no obligation to update or revise them to reflect new information or the occurrence of future events or circumstances.

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