H&R Completes $262 Million Public Offering of Stapled Units and Convertible Debentures

Toronto, November 22, 2011 – H&R Real Estate Investment Trust (the “REIT”) and H&R Finance Trust (collectively with the REIT, “H&R”) (TSX: HR.UN; HR.DB; HR.DB.B; HR.DB.C; HR.DB.D; HR.DB.E) announced today that they have closed the previously announced offering of 8,500,000 H&R stapled units (the “Stapled Units”) at a price of $22.00 per Stapled Unit and $75 million principal amount of 4.50% Series E convertible unsecured subordinated debentures of the REIT due December 31, 2016 (the “Debentures”), for total aggregate gross proceeds of $262 million.

H&R had previously agreed to sell the Stapled Units and Debentures to a syndicate of underwriters co-led by CIBC and RBC Capital Markets, on a bought deal basis. The net proceeds from the offering will be utilized by H&R to repay bank indebtedness, fund future property acquisitions and for general trust purposes, including, in the case of H&R Finance Trust, for the subscription of additional notes to be issued by H&R REIT (U.S.) Holdings Inc.

Forward-looking Statements

Certain statements in this news release contains 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 use of proceeds from the offering. 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.

For further information:

Larry Froom,
Chief Financial Officer, H&R REIT
(416) 635-7520, or e-mail info@hr-reit.com