



## H&R INCREASES DISTRIBUTIONS FOR THE 9<sup>TH</sup> CONSECUTIVE QUARTER

Toronto, June 25, 2012 - H&R Real Estate Investment Trust and H&R Finance Trust (“H&R”) today announced that the Trustees have declared distributions as follows:

	Distribution/Stapled Unit	Annualized	Record date	Distribution date
July 2012	\$0.10000	\$1.20	July 17, 2012	July 31, 2012
August 2012	\$0.10000	\$1.20	August 17, 2012	August 31, 2012
September 2012	\$0.10000	\$1.20	September 14, 2012	September 28, 2012

These distributions are 4.3% higher than the previous quarter’s distributions and 20% higher than the respective period last year.

### 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, 118 industrial and 133 retail properties comprising over 44 million square feet and 3 development projects, with a fair value of approximately \$9.7 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. \$151.2 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). 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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