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## **H&R Real Estate Investment Trust Announces Acquisition of Peter Pond Mall, Fort McMurray, Alberta and \$300 million Financing in Series C Bonds Secured by the Bow**

Toronto (Ontario), June 6, 2013 – H&R Real Estate Investment Trust (TSX:HR.UN; HR.DB.C; HR.DB.D; HR.DB.E and HR.DB.H) ("H&R REIT") announced that, through its Primaris retail division, it has entered into an agreement to purchase Peter Pond Mall in Fort McMurray, Alberta for \$168.5 million and has arranged a third series of first mortgage bonds totaling \$300 Million secured by The Bow.

### **Details of Peter Pond Acquisition**

H&R REIT will acquire a 100% interest in Peter Pond Mall to be internally managed by Primaris. The purchase price represents a capitalization rate of approximately 6.30% (before property management fee income). Closing of the acquisition is scheduled to occur on July 3, 2013. As previously announced, no acquisition or external property management fees will be payable on this transaction.

Commenting on the acquisition, Primaris' Chief Operating Officer, Patrick Sullivan, noted, "Peter Pond is the dominant Centre in Northern Alberta, servicing the vibrant and growing Fort McMurray community; home to the thriving oil sands industry which enjoys an average household income in excess of \$190,000 per annum. Peter Pond is the leading enclosed mall in this region producing average mall sales in excess of \$870 per square foot and is reported to rank in the top 10 of all Shopping Centres in Canada when measured on a sales per square foot basis. This acquisition is a perfect fit with our existing portfolio of market dominant centres throughout Canada".

### **Details of the \$300 Million Financing**

Consistent with H&R's strategy to secure long-term fixed rate financing, H&R, through its wholly owned entity Bow Centre Street Limited Partnership (the "Issuer"), has arranged, on a private placement basis, a third series of first mortgage bonds totaling \$300 Million secured by The Bow, Calgary, Alberta.

The Series C Bonds are comprised of \$300 million, 10 year term, semi-annual interest only bonds bearing interest at a rate of 3.797% and maturing on June 13, 2023. H&R intends to utilize the proceeds from the Bonds to repay indebtedness and for its acquisition of Peter Pond Mall. The Series C Bonds have achieved a provisional rating of A by DBRS. The Offering is expected to close June 13, 2013.

These Bonds will rank pari passu to the \$250 million 3.690% Series A Bonds due June 14, 2021 and the \$250 million 3.693% Series B Bonds due June 14, 2022 which were issued on June 14, 2012.

RBC Dominion Securities, together with CIBC World Markets, TD Securities and Scotia Capital, are acting as agents for the Offering of the Series C Bonds.

### **About H&R REIT**

H&R REIT is an open-ended real estate investment trust, which owns a North American portfolio of 40 office, 112 industrial and 163 retail properties comprising over 53 million square feet and 3 development projects, with a fair value of approximately \$13 billion. The foundation of H&R's success since inception in 1996 has been a disciplined strategy that leads to consistent and profitable growth. H&R REIT lease its properties to long-term creditworthy tenants and strives to match those leases with primarily long-term, fixed-rate financing.



### **Forward-Looking Information**

Certain information in this news release contains forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) including, among others, statements relating to the objectives of H&R REIT, strategies to achieve those objectives, H&R REIT's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect H&R REIT'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 REIT's estimates and assumptions that are subject to risk and uncertainties, including those discussed in H&R REIT's materials filed with the Canadian securities regulatory authorities from time to time, which could cause the actual results and performance of H&R REIT 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 REIT; availability of cash for distributions; 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 H&R REIT's properties; and changes in legislation and indebtedness of H&R REIT. 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 REIT 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 REIT 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 REIT, 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 more information, please contact**

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