



H&R REAL ESTATE INVESTMENT TRUST

H&R Announces its Intention to Redeem Outstanding 2017 Convertible Unsecured Debentures

TORONTO May 24, 2013 – H&R Real Estate Investment Trust (“H&R”) (TSX: HR.UN; HR.DB.C, HR.DB.D, HR.DB.E, HR.DB.F and HR.DB.H) announced its intention to redeem all of its outstanding 6.00% Series C convertible unsecured debentures maturing June 30, 2017 (the “2017 Convertible Debentures”) on the earliest date permitted under the second supplemental trust indenture dated December 30, 2009 (the “Supplemental Indenture”), being July 2, 2013 (the “Redemption Date”) pursuant to and subject to the terms of the Supplemental Indenture. As at the date hereof, the aggregate principal amount of \$167,675,000 was outstanding on the 2017 Convertible Debentures. The 2017 Convertible Debentures are listed for trading on the TSX under the trading symbol HR.DB.C.

Each outstanding 2017 Convertible Debenture in the principal amount of \$1,000 will be redeemed as at the Redemption Date upon payment by H&R of a redemption amount of \$1000.33, being equal to the aggregate principal amount and all accrued and unpaid interest thereon up to but excluding the Redemption Date, less any applicable withholding taxes. The regular interest payment due June 30, 2013 will be paid to holders of the 2017 Convertible Debentures on such date pursuant to the terms of the Supplemental Indenture.

Notice of the redemption will be delivered to the trustee, CIBC Mellon Trust Company, and to the Canadian Depository for Securities Limited (“CDS”) today. Non-registered holders (banks, brokerage firms or other financial institutions) who maintain their interests in the 2017 Convertible Debentures through CDS should contact their CDS customer service representative with any questions about the redemption. Beneficial holders with any questions about the redemption should contact their respective brokerage firm or financial advisor.

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 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 for long terms to creditworthy tenants and strives to match those leases with primarily long-term, fixed-rate financing.

Forward-looking Statements

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.

Additional information regarding H&R REIT is available at www.hr-reit.com and on www.sedar.com. For more information, please contact Larry Froom, Chief Financial Officer, H&R REIT, 416-635-7520, or email info@hrreit.com.