



## **H&R Announces US\$125MM Private Placement of Floating Rate Senior Unsecured Debentures**

TORONTO, February 9, 2018 – H&R Real Estate Investment Trust (“H&R REIT” or “H&R”) (TSX: HR.UN; and HR.DB.D) is pleased to announce it has entered into an agreement to sell on a private placement “best efforts” agency basis, to a syndicate of agents co-led and bookrun by TD Securities, BMO Capital Markets, CIBC Capital Markets, National Bank Financial Inc. and Scotiabank, US\$125 million principal amount of senior unsecured debentures (the “Series P Debentures”). The Series P Debentures will be issued at par, bear interest at a rate equal to 3-month LIBOR plus 79 basis points payable quarterly in arrears and will mature on February 13, 2020.

Subject to customary closing conditions, the offering is scheduled to close on February 13, 2018. It is a condition of closing to the offering that the debentures be rated at least BBB (high) with a stable trend by DBRS. The offering is on a private placement basis and the debentures will be issued pursuant to H&R REIT’s trust indenture dated February 3, 2010 as supplemented. These debentures will rank *pari passu* with H&R REIT’s outstanding senior unsecured debentures.

The net proceeds of the offering will be used for the repayment of existing indebtedness and for general trust purposes, including the redemption of H&R’s 5.90% convertible unsecured subordinated debentures due June 30, 2020 (the “2020 Convertible Debentures”), of which \$99,652,000 aggregate principal amount is currently outstanding.

H&R is also pleased to announce its intention to redeem all of its outstanding 2020 Convertible Debentures pursuant to and subject to the terms of the third supplemental trust indenture dated July 27, 2010, on March 12, 2018 (the “Redemption Date”). The 2020 Convertible Debentures are listed for trading on the TSX under the trading symbol HR.DB.D. The outstanding 2020 Convertible Debentures will be redeemed as at the Redemption Date upon payment by H&R of a redemption amount equal to the aggregate principal amount (being \$99,652,000 on the date hereof) and all accrued and unpaid interest thereon up to but excluding the Redemption Date, less any applicable withholding taxes. As noted above, H&R will use part of the proceeds from the offering to redeem the 2020 Convertible Debentures. Notice of the redemption will be delivered to the trustee, BNY Trust Company of Canada, and to CDS Clearing & Depository Services Inc. (“CDS”) today. Non-registered holders (banks, brokerage firms or other financial institutions) who maintain their interests in the 2020 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.

The debentures offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the debentures in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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

H&R REIT is Canada’s largest diversified real estate investment trust with total assets of approximately \$14.0 billion at September 30, 2017. H&R REIT is a fully internalized real estate investment trust and has ownership interests in a North American portfolio of high quality office, retail, industrial and residential properties comprising over 46 million square feet.

### **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). These forward-looking statements include, but are not limited to, H&R's plans, objectives, expectations and intentions, including the date of closing of the offering and the intended use of proceeds. 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. 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.

Additional information regarding H&R REIT is available at <http://www.hr-reit.com> and on [www.sedar.com](http://www.sedar.com).

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