



H&R Increases Distributable Cash 13% in First Quarter 2009

Secures \$85-million Financing Commitment for Bell Corporate Centre

Toronto, Ontario, May 14, 2009 - H&R Real Estate Investment Trust ("H&R REIT") and H&R Finance Trust (collectively, "H&R") (TSX: HR.UN; HR.DB) announced today that H&R's combined distributable cash increased by 13% for the three months ended March 31, 2009 compared to the same period last year.

Financial Results

The following table includes non-GAAP (Generally Accepted Accounting Principles) information that should not be construed as an alternative to net earnings or cash flows from operations and may not be comparable to similar measures presented by other issuers as there is no standardized meaning of adjusted funds from operations (AFFO) or distributable cash under GAAP. Financial information for the period ending after October 1, 2008 is presented herein on a combined and/or stapled basis. Financial information for the period ended prior to October 1, 2008 is presented for H&R REIT.

| | 3 months ended March 31 | |
|---|-------------------------|--------|
| | 2009 | 2008 |
| AFFO (millions) * | \$59.6 | \$52.9 |
| AFFO per stapled unit (basic) | \$0.40 | \$0.39 |
| Distributable cash (millions) * | \$62.4 | \$55.2 |
| Distributable cash per stapled unit (basic) | \$0.42 | \$0.41 |
| Cash distributions (millions) | \$26.5 | \$48.8 |
| Cash distributions per stapled unit | \$0.18 | \$0.36 |

AFFO increased by 13% in the first quarter 2009, and rose 4% per unit (basic) primarily due to completion of property developments and a favourable change in foreign exchange rates. Cash distributions per unit decreased 50% in the first quarter after distributions were reduced in January 2009 to preserve capital to fund H&R's development project – The Bow in Calgary.

The following table includes results reported in accordance with Canadian GAAP.

| | 3 months ended March 31 | |
|---|-------------------------|---------|
| | 2009 | 2008 |
| Rentals from income properties (millions) | \$158.2 | \$147.3 |
| Net earnings (millions) * | \$22.1 | \$39.6 |
| Net earnings per stapled unit (basic) | \$0.16 | \$0.31 |
| Cash provided by operations (millions) * | \$69.9 | \$71.3 |

* Reconciliations of net earnings and cash provided by operations to AFFO and to distributable cash are included in H&R's combined MD&A.

Net earnings per unit decreased 48% primarily due to a \$14 million reduction in gains from sales of income properties and an impairment loss on income properties of \$8 million recognized in the first quarter this year. As at March 31, 2009, H&R reported financial ratios of 54.2% for debt to gross book value (calculated in accordance with H&R REIT's declaration of trust) versus 54.7% as at December 31, 2008, and 51.8% for non-recourse debt to total debt (51.4% at year end 2008).

The Bow Development Project

H&R REIT is currently building The Bow, a two million square foot office building in Calgary's downtown financial district. EnCana Corporation will be head-leasing the entire office tower and all underground parking spaces on a triple-net basis for an initial term of 25 years. As at March 31, 2009, H&R REIT had incurred approximately \$420 million of the \$1.33-billion budget (excluding capitalized interest costs for accounting purposes). H&R has obtained an appraisal from a leading national appraisal firm indicating the estimated fair market value of The Bow to be \$1.36 billion, upon completion and full occupancy and based on market conditions as at April 1, 2009. The agreement with EnCana provides for a phased occupancy



with the first tranche available in 2011, and full occupancy expected to occur in 2012. H&R has successfully secured a \$425-million construction facility for the project, and locked in 80% of its budgeted costs. H&R's ultimate strategy is to secure a strategic joint venture partner for the property, and to use a portion of the sale proceeds to repay its construction facility, thereby leaving the REIT with excess cash proceeds and its remaining interest in The Bow free and clear of any debt.

Bell Corporate Centre Financing

On May 14, 2009, H&R REIT secured a firm commitment from a Canadian pension fund for an \$85-million, 5-year first mortgage financing, with a fixed interest rate of 6.5% for the Bell Corporate Centre Phase III expansion. The property is a newly constructed, 348,000 square foot, state-of-the-art office complex located in Mississauga, Ontario, which is 100% leased to Bell Canada, for a 20-year term that commenced January 1, 2009 under a triple-net lease. The property is adjacent to Phase I and Phase II of the Bell Corporate Centre, which in total aggregate approximately 775,000 square feet and are also owned by H&R and 100% occupied by Bell Mobility. Funding of the financing, subject to certain customary conditions, is expected to occur in July 2009. The financing will further enhance H&R's liquidity.

Monthly Distributions Declared

H&R announced a monthly cash distribution of \$0.06 per stapled unit (representing \$0.72 on an annualized basis), which will be scheduled as follows.

| | Record date | Distribution date |
|-------------|-------------|-------------------|
| June 2009 | June 16 | June 30 |
| July 2009 | July 17 | July 31 |
| August 2009 | August 17 | August 31 |

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 35 office, 123 industrial and 121 retail properties comprising 41 million square feet, with a net book value of \$4.6 billion. The foundation of H&R's success since inception in 1996 has been a disciplined strategy that leads to consistent and profitable growth. The REIT leases its properties long term to creditworthy tenants and strives to match those leases with primarily long-term, fixed-rate financing. As a result, leases representing 6.7% of total rentable area will expire between the end of the first quarter 2009 and 2011, during which 13.7% of H&R REIT's total mortgage principal will become payable.

H&R Finance Trust is an unincorporated investment trust, which primarily invests in notes issued by an H&R REIT subsidiary. 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. Accordingly, H&R provides its financial summary on a combined basis as management views it to be the most useful information to unitholders.

H&R's unaudited Combined Financial Statements and the notes thereto and Management's Discussion and Analysis (MD&A) relating thereto for the three months ended March 31, 2009 are available on H&R REIT's website (www.hr-reit.com) and have been concurrently filed on SEDAR (www.sedar.com), as well as the unaudited Consolidated Financial Statements and the Notes thereto and Management's Discussion and Analysis for H&R REIT and for H&R Finance Trust. Additional information regarding H&R REIT and H&R Finance Trust 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 e-mail info@hr-reit.com.

H&R Annual General Meeting

H&R's AGM will take place this week on Friday, May 15 at 1:30pm in the Gallery room of the TSX Broadcast Centre, The Exchange Tower, 130 King St. West, Toronto.



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 and H&R Finance Trust (“the Trusts”), strategies to achieve those objectives, the Trusts’ beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts including, in particular, H&R REIT’s expectation regarding future developments in connection with The Bow. 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 the Trusts’ current beliefs and are based on information currently available to management. These statements are not guarantees of future performance and are based on the Trusts’ estimates and assumptions that are subject to risk and uncertainties, including those discussed in the Trusts’ materials filed with the Canadian securities regulatory authorities from time to time, which could cause the actual results and performance of the Trusts to differ materially from the forward-looking statements contained in this news release. Those risks and uncertainties include, among other things, risks related to: Unit prices; 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; mezzanine financing credit risk; competition for real property investments; environmental matters; reliance on one corporation for management of substantially all the REIT’s properties; changes in legislation and indebtedness of the Trusts. 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. The Trusts caution that this list of factors is not exhaustive. Although the forward-looking statements contained in this news release are based upon what the Trusts believe 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 the Trusts, except as required by applicable law, assume no obligation to update or revise them to reflect new information or the occurrence of future events or circumstances.