



H&R Reports Third Quarter 2009 Results

Toronto, Ontario, November 13, 2009 - H&R Real Estate Investment Trust ("H&R REIT") and H&R Finance Trust (collectively, "H&R") (TSX: HR.UN; HR.DB; HR.DB.B) announced today its financial results for the third quarter ended September 30, 2009, which are set forth below.

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 provided by 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") 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 Sept.30		9 months ended Sept.30	
	2009	2008	2009	2008
AFFO (millions) *	\$52.5	\$53.5	\$172.3	\$159.5
AFFO per stapled unit (basic)	\$0.355	\$0.367	\$1.166	\$1.139
Cash distributions paid (millions)	\$26.6	\$52.4	\$79.8	\$151.4
Cash distributions per stapled unit	\$0.18	\$0.36	\$0.54	\$1.08

Total AFFO decreased 2% in the third quarter 2009 due to higher interest expenses, but increased 8% for the year to date. H&R's combined AFFO per unit decreased by 3% in the three months, however AFFO per unit increased 2% for the year to date compared to the same periods last year. Cash distributions per unit decreased 50% in both the third quarter and year to date after distributions were reduced in January 2009 to preserve capital for funding H&R's landmark development project – the Bow in downtown Calgary.

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

	3 months ended Sept.30		9 months ended Sept.30	
	2009	2008	2009	2008
Rentals from income properties (millions)	\$149.0	\$147.9	\$455.9	\$443.7
Net earnings (millions) *	\$15.7	(\$20.7)	\$56.7	\$51.9
Net earnings per stapled unit (basic)	\$0.11	(\$0.15)	\$0.40	\$0.39
Cash provided by operations (millions) *	\$51.7	\$39.6	\$171.8	\$161.3

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

As at September 30, 2009, H&R reported financial ratios of 55.5% for debt to gross book value compared to 56.5% as at December 31, 2008, and 46.2% for non-recourse debt to total debt (51.4% at year end 2008).

H&R REIT President and CEO Tom Hofstedter said, "Our portfolio of quality commercial properties, leased and financed on a long-term basis, has performed well in unusually difficult market conditions over the past year. With cap rates now heading downward, the market value of the portfolio is increasing, and H&R's unit price has rebounded from its lows of a year ago. We will continue to focus our energies on controlling costs, maximizing rental income, and developing our \$1.5-billion landmark office tower in downtown Calgary."

Operating Highlights

H&R's operating strategy is to stabilize annual income and minimize market risk by leasing and mortgaging its properties for long periods of time. As a result, the average remaining term to maturity as at September 30, 2009 was 10.9 years for leases and 8.5 years for mortgages payable, and the REIT's overall portfolio occupancy rate was 99.1%.

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 September 30, 2009, H&R REIT



had incurred approximately \$589 million of the \$1.33-billion budget (excluding capitalized interest costs for accounting purposes). H&R has secured all of the funds required for completion of this trophy office development.

Capital Transaction Highlights

During the third quarter 2009, H&R sold two industrial properties in Ontario, and a 55% ownership interest in an office property in Utah, for total gross proceeds of \$37 million.

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
December 2009	December 15	December 31
January 2010	January 18	January 29
February 2010	February 12	February 26

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 34 office, 120 industrial and 117 retail properties comprising approximately 40 million square feet, with a net book value of \$4.3 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. As a result, leases representing 5.1% of total rentable area will expire between the end of the third quarter 2009 and 2011, during which 11.5% 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.

Additional information regarding H&R REIT and H&R Finance Trust is available at www.hr-reit.com and on www.sedar.com.

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 (together, "H&R"), strategies to achieve those objectives, H&R's 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 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 risk 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;



mezzanine financing credit risk; competition for real property investments; environmental matters; reliance on one corporation for management of substantially all H&R REIT's properties; 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 is 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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