



H&R REAL ESTATE INVESTMENT TRUST

H&R Closes \$230 Million Senior Unsecured Debenture Financing and Repurchases the Fairfax Debentures

Toronto, February 3, 2010 – H&R Real Estate Investment Trust (“H&R”) (TSX: HR.UN; HR.DB; HR.DB.B; HR.DB.C) closed its previously announced offering of \$115 million principal amount of 5.196% Series A Senior Debentures due February 3, 2015 and \$115 million principal amount of 5.902% Series B Senior Debentures due February 3, 2017, (collectively the “Senior Debentures”). H&R had previously agreed to sell the Senior Debentures to a syndicate of underwriters co-led by RBC Capital Markets and TD Securities on a bought deal basis.

H&R has also repurchased all \$200.0 million principal amount of debentures owned by Fairfax Financial Holdings and its affiliates (collectively, “Fairfax”) that bear interest at 11.5% per annum (the “Fairfax Debentures”). The Fairfax Debentures were repurchased for approximately \$230.0 million, including accrued interest from the last interest payment date. The net proceeds from the offering of the Senior Debentures were used to fund the repurchase of the Fairfax Debentures.

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 (“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’s expectation regarding future developments in connection with the offering of the Senior Debentures and the repurchase of the Fairfax Debentures pursuant to the agreement with Fairfax. 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 of H&R’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 are reasonable assumptions, including assumptions regarding achievable income property acquisition opportunities available to H&R and the terms of available financing in connection with such acquisitions, 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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