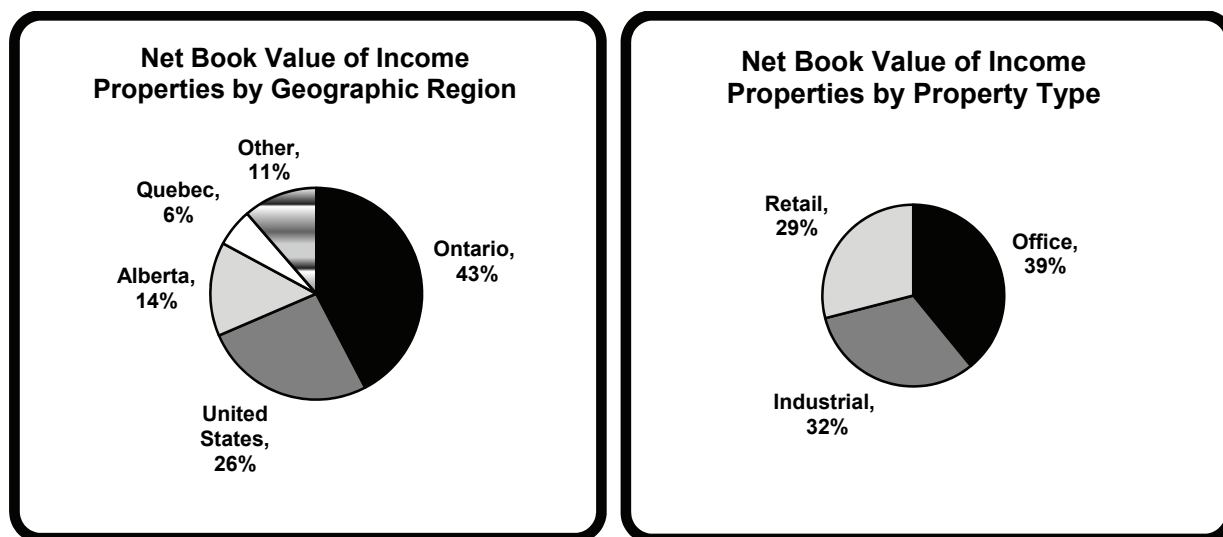


## H&R Profile

H&R Real Estate Investment Trust (“H&R REIT”) is an open-ended real estate investment trust, which owns and manages a North American portfolio of 282 office, industrial and retail properties comprising over 39 million square feet and three development projects, with an aggregate total net book value of \$5.3 billion as at December 31, 2010.

H&R Finance Trust is an unincorporated investment trust, which primarily invests in notes issued by a subsidiary of H&R REIT. The units of H&R REIT trade together with the units of H&R Finance Trust as “stapled units” (HR.UN) on the Toronto Stock Exchange. In this annual report, we refer to the combination of these two trusts as “H&R” or “the Trusts”.

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



## Primary Objectives

H&R strives to achieve two primary objectives: to provide unitholders with stable and growing cash distributions generated by revenues derived from a diversified portfolio of income properties, and to maximize the value of units through active management of H&R's assets, acquisition of additional properties, and development of new projects. We are committed to maximizing returns to unitholders while maintaining prudent risk management and conservative use of financial leverage.

## Stability Through Discipline

Since inception in 1996, H&R has executed a disciplined and proven strategy that has provided stable cash flow and adjusted funds from operations. We achieve our primary objectives and mitigate risks through long-term property leasing and financing, combined with conservative management of assets and liabilities.

## Front and back cover images

Photos on the front and back covers are of *The Bow*, a two-million-square-foot office complex that H&R is developing in Calgary.