



## NEWS RELEASE

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### **MELCOR REAL ESTATE INVESTMENT TRUST COMPLETES \$83 MILLION INITIAL PUBLIC OFFERING**

**May 1, 2013  
Edmonton, Alberta**

Melcor Developments Ltd. (TSX:MRD) and Melcor Real Estate Investment Trust (the "REIT") (TSX:MR.UN) announced today that the REIT has completed its initial public offering of 8,300,000 trust units at a price of \$10.00 per trust unit. The offering raised gross proceeds of approximately \$83,000,000 and was underwritten by a syndicate of underwriters co-led by RBC Capital Markets and CIBC, and including BMO Nesbitt Burns Inc., TD Securities Inc., Desjardins Securities Inc., National Bank Financial Inc., Scotia Capital Inc., Canaccord Genuity Corp. and Laurentian Bank Securities Inc. RBC Capital Markets and CIBC were the bookrunners on the transaction.

Melcor Developments Ltd. and the REIT have granted the underwriters an over-allotment option, exercisable for a period of 30 days following the closing, to purchase up to an additional 830,000 trust units at a price of \$10.00 per trust unit which, if exercised in full, will increase the total gross proceeds of the offering to Melcor and the REIT to approximately \$91,300,000.

"We are very pleased to conclude this process and launch Melcor REIT to grow our income-producing assets portfolio for the benefit of Melcor and new trust unitholders," commented Ralph B. Young, CEO of the REIT's promoter and manager, Melcor Developments Ltd. and a trustee of the REIT. "With a strong relationship with Melcor Developments and access to its significant development pipeline, we are confident that both companies will continue to grow our already proven and established western Canadian real estate presence."

"We were very pleased with investor interest in Melcor REIT and are excited to get to work growing our portfolio and building value for our investors," added Darin Rayburn, CEO of the REIT. The trust units will commence trading today on the Toronto Stock Exchange under the symbol "MR.UN".

The REIT initially intends to make monthly cash distributions to its unitholders at a rate of \$0.05625 per trust unit, which are initially expected to provide an annual yield of 6.75%. The first cash distribution, which will be for the period from the date of closing of the offering to May 31, 2013, is expected to be paid on or about June 14, 2013 to unitholders of record on May 31, 2013, in an amount estimated to be \$0.05625 per unit.

Melcor Developments Ltd. (collectively, with its affiliates, "Melcor") has retained an approximate 55.5% effective interest in the REIT (or an approximate 51.1% effective interest if the over-allotment option is exercised in full).

The trust units have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the United States Securities Act of 1933, as amended). This press release does not constitute an offer to sell or a

solicitation of an offer to buy any of the trust units in the United States or to, or for the account or benefit of, U.S. Persons.

### **About Melcor Real Estate Investment Trust**

Melcor Real Estate Investment Trust is an unincorporated, open-ended real estate investment trust established pursuant to a declaration of trust under the laws of the Province of Alberta. The REIT has been created for the purpose of acquiring and owning income producing properties located in Western Canada, comprised primarily of retail, office and industrial properties. Concurrent with the completion of the initial public offering of trust units, the REIT indirectly acquired, through a limited partnership, interests in a portfolio of 27 income producing properties located in the Edmonton, Alberta region; the Calgary, Alberta region; Lethbridge, Alberta; Regina, Saskatchewan; and Kelowna, British Columbia, with approximately 1.57 million owned square feet of gross leasable area.

### **About Melcor Developments Ltd.**

Melcor is a diversified real estate development and management company with a rich heritage of integrity and innovation in real estate since 1923.

Through four integrated operating divisions, Melcor develops and manages mixed-use residential communities, business and industrial parks, office buildings, retail commercial centres and golf courses.

Melcor's headquarters are located in Edmonton, Alberta, with regional offices throughout Alberta and British Columbia. Company developments span Western Canada and the US. Melcor has been a public company since 1968 and trades on the Toronto Stock Exchange (TSX:MRD).

### *Forward-Looking Statements*

*This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects Melcor's and the REIT's current expectations regarding future events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Melcor's or the REIT's control, that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, the factors discussed under "Risk Factors" in the final prospectus of the REIT dated April 19<sup>th</sup>, 2013. Neither Melcor nor the REIT undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.*

For more information, visit the REIT's website at [www.melcorREIT.ca](http://www.melcorREIT.ca) and the REIT's and Melcor's respective issuer profiles at [www.sedar.com](http://www.sedar.com)

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