2012–
AN OUTSTANDING YEAR
RioCan is moving forward
on a number of fronts,
both in Canada and in the
United States. Indeed, we
have an exciting portfolio
of development projects in
the works, coming on stream
in Canada’s major cities
over the next few years. In
sum, RioCan is continually
enhancing our portfolio
to a “best-in-class”
retail platform.

EDWARD SONSHINE, O.ONT.,Q.C.  | Chief Executive Officer
RioCan’s remarkable growth has been supported by our disciplined
approach and sound financial structure. Over the last three years, in
challenging capital markets, RioCan’s business model has been validated
with almost $2.6 billion of new capital from debt and equity markets.
Our more than $14 billion total market capitalization as at December 31,
2012 is a testament to our strength, leadership and conservative approach.

CEO’S LETTER TO UNITHOLDERS
RioCan’s financial strength is based on prudent
management of a large and diverse portfolio of retail
properties generating a quality cash flow stream that
is conservatively leveraged. RioCan also borrows in
the unsecured markets through debenture offerings,
which are supported by RioCan’s balance sheet that
includes in excess of $1.3 billion of unencumbered
assets. Of note, RioCan is not dependent on any
one source of financing or on any one entity. After
20 years, we’ve charted our course. RioCan is an
established brand, smartly poised to move on new
opportunities, while keeping a careful eye on our
existing portfolio of properties.
THE UNITED STATES—A WINNING STRATEGY
RioCan used a disciplined, strategic approach when it entered the US market in 2009. Your REIT’s priority was to purchase well established retail properties generally anchored by the best supermarket chain in the region. Many of these properties are in close proximity to an abundance of customers with significant disposable incomes.

To mitigate risk, we partnered with key players who understood through extensive experience the dynamics of the regional market. Over the past three years, RioCan has developed substantial knowledge about, and operational expertise in these markets. RioCan has assumed the property and asset management responsibilities for the properties that make up our northeastern US portfolio. In late 2012, RioCan concluded a friendly arrangement with Cedar Realty Trust, Inc. wherein we sold them our interest in one centre, while assuming full ownership of the remainder of the properties in the joint venture. I am also pleased to announce that RioCan has opened its first regional office outside of Canada, in Mount Laurel, New Jersey.

THE FUTURE IS BRIGHT
With an organic growth philosophy, RioCan’s in-demand properties generate strong returns, for tenants and your REIT alike. Our leadership in commercial retail space has been enhanced with our “deal-by-deal” approach. With proven expertise in our business model, RioCan unitholders can be assured that their investment will be safeguarded, and grow. Indeed, our confidence in the growth of RioCan’s cash flow led to an increase in RioCan’s annualized distribution for 2013 to $1.41 per unit per year. Management’s intention is to provide continued growth in our distributions as our cash flow grows, while continuing to improve RioCan’s payout ratio. This strategy will enable us to provide stable growth in our returns to unitholders.

As always, I thank you, our unitholders for your continued support and confidence in RioCan.

Edward Sonshine, O.Ont., Q.C.
Chief Executive Officer,
RioCan Real Estate Investment Trust
Georgian Mall
BARRIE, CANADA

This is the region’s dominant enclosed mall containing more than 1 million square feet and more than 150 stores. Located in the fast-growing Barrie, Ontario region, which is approaching 500,000 people with easy highway access.

Deptford Landing
DEPTFORD, NEW JERSEY

Deptford Landing is a 517,057 square foot new format retail anchored by Walmart and Sam’s Club.
Transforming by Acquisitions  
In today’s fluid economy, RioCan has a keen eye for properties that meet its criteria of a conservative risk investment, with strong growth potential. Historic low interest rates and RioCan’s strong financial position allow it to take advantage of valuable properties at advantageous prices. Including development property acquisitions, RioCan invested more than $1 billion in development and investment property acquisitions again in 2012 for the third year in a row, providing a solid foundation for continued growth.

In highly populated neighbourhoods in urban Canada, and in select markets in the United States, RioCan has a portfolio of 346 properties. With its flexible approach, RioCan is actualizing opportunities in a variety of environments, suburban, urban, and in some cases, bustling towns. These opportunities all differ: a sprawling mall in the suburbs is tenanted differently than in the concentrated urban core. With larger land sizes in the suburbs, unenclosed malls are ideal. In concentrated urban cores, however, innovative solutions facilitate a mixed use format: retail, office and sometimes residential.

With a deal-by-deal approach, RioCan ensures that the optimal solution is conceived for the appropriate property. With its financial acumen, conservative approach, strong balance sheet, and leadership in retail real estate, RioCan leads the new wave of shopping experiences.
Transforming Through Our Debt Structure | With a well-managed balance sheet, RioCan can refinance debt at lower rates, thereby increasing cash flows. An established debt ladder increases flexibility, by spreading maturing debt out over various years, so that these obligations are not due in any one specific year. All financial measures are based on a conservative, reduced-risk approach. RioCan’s ability to realize new opportunities is facilitated by its financial leadership and strength.

RioCan. At the forefront of retail real estate.
From projects such as RioCan’s joint venture development with Allied Properties on King Street in Toronto, to The Stockyards, a 19-acre retail site that will contain Target’s first Canadian new construction store, and others such as Sage Hill in Alberta, RioCan’s deal-by-deal approach matches solution to need. With a proven approach that factors demographics, zoning laws and retail trends, RioCan’s customized approach is ideal. Using in-depth research, trend forecasting, high-level planning and top-notch project management, RioCan delivers. RioCan’s consistently high occupancy rate of 97.4% at December 31, 2012 is supported by strong national retail brands across all sectors. A proven approach to retail is why Target’s first purpose built store in Canada is at The Stockyards. With its almost two decades experience in the Canadian marketplace, a conservative financial approach, and a disciplined strategy across geographically diverse areas, RioCan is at the forefront of retail real estate.
## Top 10 Tenants – Canada
As at December 31, 2012, RioCan’s ten largest tenants in Canada have the following profile:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Tenant</th>
<th>Annualized rental revenue</th>
<th>Number of locations</th>
<th>NLA (in thousands)</th>
<th>Percentage of total NLA</th>
<th>Weighted average remaining lease term (years)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Canadian Tire Corporation (i)</td>
<td>4.9%</td>
<td>106</td>
<td>2,103</td>
<td>5.4%</td>
<td>9.1</td>
</tr>
<tr>
<td>2</td>
<td>Walmart</td>
<td>4.7%</td>
<td>29</td>
<td>3,335</td>
<td>8.6%</td>
<td>12.9</td>
</tr>
<tr>
<td>3</td>
<td>Famous Players/Cineplex/Galaxy Cinemas</td>
<td>4.3%</td>
<td>30</td>
<td>1,355</td>
<td>3.5%</td>
<td>10.6</td>
</tr>
<tr>
<td>4</td>
<td>Metro/Super C/Loeb/Food Basics</td>
<td>4.3%</td>
<td>58</td>
<td>2,125</td>
<td>5.5%</td>
<td>7.3</td>
</tr>
<tr>
<td>5</td>
<td>Winners/HomeSense/ Marshalls</td>
<td>3.3%</td>
<td>67</td>
<td>1,521</td>
<td>3.9%</td>
<td>6.9</td>
</tr>
<tr>
<td>6</td>
<td>Loblaw/Frills/Fortinos/Zehrs/Maxi</td>
<td>2.9%</td>
<td>31</td>
<td>1,266</td>
<td>3.3%</td>
<td>7.2</td>
</tr>
<tr>
<td>7</td>
<td>Staples/Business Depot</td>
<td>2.1%</td>
<td>48</td>
<td>972</td>
<td>2.5%</td>
<td>6.6</td>
</tr>
<tr>
<td>8</td>
<td>Target</td>
<td>2.1%</td>
<td>24</td>
<td>1,972</td>
<td>5.1%</td>
<td>9.1</td>
</tr>
<tr>
<td>9</td>
<td>Shoppers Drug Mart</td>
<td>1.9%</td>
<td>46</td>
<td>531</td>
<td>1.4%</td>
<td>9.4</td>
</tr>
<tr>
<td>10</td>
<td>Reitmans/Penningtons/Smart Set/Addition-Elle/Thyme Maternity</td>
<td>1.7%</td>
<td>125</td>
<td>520</td>
<td>1.3%</td>
<td>4.5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>32.2%</strong></td>
<td><strong>564</strong></td>
<td><strong>15,700</strong></td>
<td><strong>40.5%</strong></td>
<td><strong>8.8</strong></td>
</tr>
</tbody>
</table>

* Weighted average based on gross rental revenue  
(i) Canadian Tire Corporation includes Canadian Tire/PartSource/Mark’s Work Warehouse/Sport Mart/Sport Chek/Sports Experts/National Sports/Athmosphere

### Annualized rental revenue of the Canadian portfolio by geographic area at December 31, 2012

- Ontario: 62.3%
- Eastern Canada: 2.9%
- Western Canada: 18.7%
- Quebec: 16.1%

### Annualized rental revenue of the Canadian portfolio by property type at December 31, 2012

- Office: 4.4%
- Urban Retail: 7.6%
- Non-Grocery Anchored Centre: 5.0%
- Enclosed Shopping Centre: 16.1%
- Grocery Anchored Centre: 18.6%
- New Format Retail: 48.3%
This dynamic property that will be anchored by Walmart and Loblaws includes 33.5 acres of zoned commercial land within the desirable Sage Hill Crossing housing subdivision project. Of note, Sage Hill is in a fast-growing area of northwest Calgary.

Allied on College Street
TORONTO, CANADA

This exciting site includes 23,028 square feet of land and 185 feet of frontage on vibrant College Street. The site will be intensified in partnership with Allied Properties REIT and is expected to feature a mixed-use development.
Transforming Through Development  | RioCan’s team of planners and designers conceive dynamic, site-specific projects. These sites address particular needs in busy urban centres. Featuring best-of-class retailers, these developments are ideal for grocery, clothing and other living needs. Using RioCan’s sophisticated design, and mixed use formats, space is optimally utilized to enhance both neighbourhood and community. These mixed use sites are popular destinations with shoppers, retailers and tenants alike.

A robust project pipeline.
Over the next five years, RioCan has a development pipeline of approximately 9.9 million square feet, (4.9 million in RioCan’s interest).
The East Hills joint venture development in Calgary started construction in the second quarter of 2012. The expansion of the Yonge Eglinton centre in Toronto is expected in early 2013. At a mixed use urban site at the northeast corner of Yonge Eglinton, with partners Metropia and Bazis Inc., construction is anticipated to begin in 2014.
In 2011, RioCan acquired a land assembly at Bathurst and College, which is expected to be developed into a 126,000 square foot three-story urban retail building. Development is slated for 2014.
In December 2012, RioCan, with partners Allied and Diamond, acquired the current 6.47 acre Globe and Mail site in downtown Toronto which will become a mixed use development. This site, we believe will be a landmark, office, retail and residential development in the city of Toronto.

Adding value through intensification.
RioCan has identified exciting opportunities to increase density or complement its existing assets. In December 2011, the Trust acquired the Sheppard Centre in North Toronto with partner KingSett Capital. Sheppard Centre is a 673,000 square foot urban mixed use centre with retail, office and residential components; it has easy access to two subway lines. The property has potential for additional retail and a larger residential/condominium component.
The proposed transit line, and rezoning along Toronto’s Eglinton Avenue can initiate new development and intensification. Currently, RioCan has five properties located along this vital infrastructure corridor. New transit and rezoning will facilitate RioCan’s timely redevelopment of its Eglinton properties.
Opportunities in the United States | With a new US office, and a portfolio of select properties in the northeast and Texas, RioCan is positioned for growth in the world’s largest economy. With a disciplined approach, RioCan can assess the ideal opportunity for an acquisition, in terms of scale, price and geography. Meanwhile, RioCan can profitably operate its properties, yet capitalize on select opportunities at the appropriate time.

A winning strategy in the United States.
RioCan is growing its market share in the United States with research, discipline, and measured thinking. Strategically, RioCan operates in highly attractive geographical markets in the northeastern United States, including key cities in Pennsylvania, Massachusetts, Connecticut, Maryland, New Jersey, New York, Rhode Island, New Hampshire and Virginia; and in the southwest, in the major markets of Texas. As high-volume retail draws, these properties are all primarily grocery anchored.

To mitigate risk, RioCan partnered in these properties with leading US retail management companies. Based on the success of its US ventures, RioCan has dissolved its joint venture with Cedar Realty Trust Inc. RioCan’s objective is to continue to grow its US portfolio to a total of about 20% of its overall business. With a new regional office in Mount Laurel, New Jersey, RioCan is confident that its US operations will prove attractive in these robust markets.

Colleyville Center
Dallas, Texas

Market Street at Colleyville, built in 2003, is a 72,617 square foot Market Street grocery store that is part of a larger retail centre in Colleyville, Texas, a suburb of Dallas.

Riverpark Shopping Center I, II
Houston, Texas

Riverpark Shopping Center located in the Houston, Texas submarket of Sugarland. Riverpark Center I, II is a 317,340 square foot unenclosed shopping centre anchored by HEB Grocery, Walgreens, LA Fitness and Bank of America.
USA at a Glance

Top 10 Tenants – U.S.
As at December 31, 2012, RioCan’s ten largest tenants in the U.S. have the following profile:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Tenant</th>
<th>Annualized Rental Revenue</th>
<th>Number of Locations</th>
<th>NLA (in thousands)</th>
<th>Percentage of Total NLA</th>
<th>Weighted Average Remaining Lease Term (years)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Giant Food Stores/ Stop &amp; Shop (Royal Ahold)</td>
<td>9.2%</td>
<td>20</td>
<td>1,025</td>
<td>11.6%</td>
<td>13.1</td>
</tr>
<tr>
<td>2</td>
<td>Best Buy</td>
<td>3.6%</td>
<td>10</td>
<td>331</td>
<td>3.7%</td>
<td>7.7</td>
</tr>
<tr>
<td>3</td>
<td>PetSmart</td>
<td>2.9%</td>
<td>15</td>
<td>286</td>
<td>3.2%</td>
<td>6.0</td>
</tr>
<tr>
<td>4</td>
<td>Walmart</td>
<td>2.3%</td>
<td>5</td>
<td>776</td>
<td>8.8%</td>
<td>15.5</td>
</tr>
<tr>
<td>5</td>
<td>Michaels</td>
<td>2.0%</td>
<td>12</td>
<td>219</td>
<td>2.5%</td>
<td>6.0</td>
</tr>
<tr>
<td>6</td>
<td>Ross Dress for Less</td>
<td>1.8%</td>
<td>10</td>
<td>235</td>
<td>2.7%</td>
<td>5.8</td>
</tr>
<tr>
<td>7</td>
<td>Staples</td>
<td>1.6%</td>
<td>9</td>
<td>166</td>
<td>1.9%</td>
<td>5.8</td>
</tr>
<tr>
<td>8</td>
<td>Bed Bath &amp; Beyond</td>
<td>1.3%</td>
<td>9</td>
<td>195</td>
<td>2.2%</td>
<td>7.4</td>
</tr>
<tr>
<td>9</td>
<td>Lowe’s</td>
<td>1.3%</td>
<td>3</td>
<td>353</td>
<td>4.0%</td>
<td>15.5</td>
</tr>
<tr>
<td>10</td>
<td>Market Street</td>
<td>1.2%</td>
<td>2</td>
<td>138</td>
<td>1.6%</td>
<td>11.1</td>
</tr>
</tbody>
</table>

* Weighted average based on gross rental revenue

NLA of the US portfolio at December 31, 2012

Annualized rental revenue of the US portfolio by state at December 31, 2012
A SKILLED MANAGEMENT TEAM

RioCan capitalizes on the skill sets and years of experience of its management team. Management encompasses real estate, legal, financial, marketing, planning, design and research expertise. In an open culture, RioCan deliberately seeks all perspectives, so as to make optimal decisions, exempt from bias, blind spots or partial thinking. In a collegial context, management collaborates to build a disciplined, conservative but forward-moving REIT.
BOARD OF TRUSTEES

These prominent trustees are leaders in their respective fields. RioCan benefits from their expertise in their various sectors, all with an eye to broadening input on key strategy. Similar to management, RioCan trustees have an exceptionally long tenure. In this way, a history of achievement is built, paving the way for future success.

Edward Sonshine, O.Ont., Q.C.
Chief Executive Officer, RioCan Real Estate Investment Trust

Paul Godfrey, C.M., O.Ont. 1,2,3,4
(Chairman of Board of Trustees) President and Chief Executive Officer, Postmedia Network Inc.

Ronald W. Osborne 1
Chair of Postmedia Network Canada Corp. and Postmedia Network Inc.

Sharon Sallows 3,4
Director of Ontario Teachers’ Pension Plan Board

Raymond M. Gelgoot
Partner, Fogler, Rubinoff LLP

Charles M. Winograd 3,4
President, Winograd Capital Inc.

Frank W. King, O.C. 1,2
President and Chief Executive Officer, Metropolitan Investment Corporation

Clare R. Copeland 1,2,4
Chair and Director of Toronto Hydro Corporation

1 member of the Audit Committee
2 member of the Human Resources & Compensation Committee
3 member of the Nominating & Governance Committee
4 member of the Investment Committee
Corporate Responsibility | At RioCan, three facets comprise corporate responsibility: environmental responsibility, corporate philanthropy and responsibility to employees. Your REIT strives for a high standard in all three areas.

Environmental Responsibility

RioCan continuously makes efficiency improvements in its property portfolio and works with its tenants to facilitate their energy conservation needs, which contribute to lowered emissions and reduced energy use. RioCan has worked with tenants as they customize their space to include geothermal heating and cooling, waste water collection and lower carbon footprint initiatives. RioCan has also taken specific initiatives at its properties to reduce waste, such as the installation of recycling receptacles to reduce the amount of waste generated at RioCan properties across Canada. Recent initiatives to reduce water consumption have reduced water usage by more than a half million litres of water, and aggressive recycling and waste management programs have resulted in a waste diversion rate of approximately 94% at RioCan Yonge Eglinton Centre, 64% at RioCan Sheppard Centre and 57% at Georgian Mall in 2012.

Corporate Philanthropy

Corporate Philanthropy is a key facet of RioCan’s profile as a good corporate citizen and one that RioCan has always viewed as a priority. RioCan regularly sponsors a number of charitable organizations with a focus towards children’s and medical charities. RioCan was a proud supporter of several non-profit organizations including the United Way, the Heart & Stroke Foundation, the Baycrest Foundation, the University Health Network, the Hospital for Sick Children, and Mount Sinai Hospital.

Responsibility to Employees

RioCan strives to provide its employees with a safe work environment, free from discrimination and harassment. RioCan has a number of employee-focused initiatives that are designed to improve workplace satisfaction. These initiatives include development and education programs. RioCan also has a comprehensive Code of Conduct for all employees, which includes protections against harassment and discrimination and provides guidelines for employee conduct including anti-bribery and fair dealing with RioCan’s stakeholders. Furthermore RioCan provides a Whistleblower hotline to provide employees with the ability to anonymously report violations of RioCan’s Code of Conduct.
UNITHOLDER INFORMATION

Unitholder Information
Head Office
RioCan Real Estate
Investment Trust
RioCan Yonge Eglinton Centre,
2300 Yonge Street, Suite 500
P.O. Box 2386, Toronto, Ontario M4P 1E4
Tel: 416-866-3033 or 1-800-465-2733
Fax: 416-866-3020
Website: www.riocan.com
Email: inquiries@riocan.com

Unitholder and Investor Contact
Christian Green
Director, Investor Relations
Tel: 416-864-6483
Email: cgreen@riocan.com

Auditors
Ernst & Young LLP
Transfer Agent and Registrar
Canada Stock Transfer
P.O. Box 7010, Adelaide Street Postal
Station, Toronto, Ontario M5C 2W9
Answerline: 1-800-387-0825
or 416-643-5500
Fax: 416-643-5501
Website: www.canstockta.com
Email: inquiries@canstockta.com

Unit Listing
The units are listed on the Toronto Stock
Exchange under the symbol RELUN,
REI.PRA, REI.PR.C

Annual Meeting
The 2013 Annual Meeting of RioCan REIT
will be held on Wednesday, June 5, 2013 at
10:00 a.m. at SilverCity Theatres located at
RioCan Yonge Eglinton Centre, 2300 Yonge
Street, Toronto, Ontario. All unitholders
are invited and encouraged to attend in
person or via webcast at www.riocan.com.

On peut obtenir une version française
du présent rapport annuel sur le site
A French language version of this annual
report is available on RioCan’s website:

Forward-Looking Statement Advisory
The terms “RioCan” and the “Trust” in this document refer to RioCan Real Estate Investment Trust and should be read in conjunction with RioCan’s audited consolidated financial statements and Management’s Discussion and Analysis for the two years ended December 31, 2012 and 2011. Certain information included in this document contains forward-looking statements within the meaning of applicable securities laws. These statements include, but are not limited to, statements made in “CEO’s Letter to Unitholders”, “Transforming through Acquisitions”, “Transforming Through Our Debt Structure”, “Transforming Through Development”, “Opportunities in the United States”, “RioCan Board of Directors and Management Team”, and “Corporate Social Responsibility”, and other statements concerning RioCan’s objectives, its strategies to achieve those objectives, as well as statements with respect to management’s beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “would”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plan”, “continue”, or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. All forward-looking statements in this Annual Report are qualified by these cautionary statements.

These forward-looking statements are not guarantees of future events or performance and, by their nature, are based on RioCan’s current estimates and assumptions, which are subject to risks and uncertainties, including those described under “Risks and Uncertainties” in RioCan’s MD&A dated as at February 13, 2013, which could cause actual events or results to differ materially from the forward-looking statements contained in this Annual Report.

Those risks and uncertainties include, but are not limited to, those related to: liquidity in the global marketplace associated with economic conditions, tenant concentrations, occupancy levels, access to debt and equity capital, interest rates, joint ventures/partnerships, the relative illiquidity of real property, unexpected costs or liabilities related to acquisitions, construction, environmental matters, legal matters, reliance on key personnel, unitholder liability, income taxes, the investment and conducting of operations in the United States of America (“USA”), fluctuations in the currency exchange rate between the Canadian and US dollar, and RioCan’s qualification as a real estate investment trust for tax purposes. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: a stable retail environment; relatively low and stable interest costs; a continuing trend toward land use intensification in high growth markets; access to equity and debt capital markets to fund, at acceptable costs, the future growth program and to enable the Trust to refinance debts as they mature; the availability of purchase opportunities for growth in Canada and the US. Although the forward-looking information contained in this Annual Report is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this Annual Report may be considered “financial outlook” for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this Annual Report.

The Income Tax Act (Canada) contains provisions which potentially impose tax on publicly traded trusts (the “SIFT Provisions”). However, the SIFT Provisions do not impose tax on a publicly traded trust which qualifies as a REIT. RioCan currently qualifies as a REIT and intends to continue to qualify for future years. Should this not occur, certain statements contained in this Annual Report may need to be modified.

Except as required by applicable law, RioCan undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.