

This prospectus supplement, together with the amended and restated base shelf short form prospectus dated December 21, 2010 amending and restating the base shelf short form prospectus dated July 6, 2010 (the "short form base shelf prospectus") to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference into the short form base shelf prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. See "Plan of Distribution".

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws and, subject to certain exceptions from the registration requirements of the U.S. Securities Act and applicable state securities laws, may not be offered, sold or delivered in the United States. This prospectus supplement does not constitute an offer to sell, or a solicitation of an offer to buy, any of the securities offered hereby within the United States. See "Plan of Distribution".

Information has been incorporated by reference in this prospectus supplement and into the short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Senior Vice President and Chief Financial Officer of RioCan Real Estate Investment Trust at RioCan Yonge Eglinton Centre, 2300 Yonge Street, Suite 500, P.O. Box 2386, Toronto, Ontario, M4P 1E4 (Telephone (416) 866-3033), and are also available electronically at www.sedar.com.

PROSPECTUS SUPPLEMENT

To The Amended and Restated Base Shelf Short Form Prospectus dated December 21, 2010 Amending and Restating the Base Shelf Short Form Prospectus dated July 6, 2010

New Issue

January 19, 2011

RIOCAN REAL ESTATE INVESTMENT TRUST

(a trust created under the laws of Ontario)

\$100,000,000

4,000,000 Preferred Units, Series A

This prospectus supplement qualifies the distribution (the "**Offering**") of 4,000,000 Preferred Units, Series A ("**Series A Units**") of RioCan Real Estate Investment Trust ("**RioCan**" or the "**Trust**") at a price of \$25.00 per Series A Unit (the "**Offering Price**") pursuant to an underwriting agreement dated January 19, 2011 (the "**Underwriting Agreement**") between RioCan and RBC Dominion Securities Inc., Macquarie Capital Markets Canada Ltd., Scotia Capital Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., TD Securities Inc., National Bank Financial Inc., Canaccord Genuity Corp., Desjardins Securities Inc. and Raymond James Ltd. (collectively, the "**Underwriters**") and the Preferred Units, Series B ("**Series B Units**") which the Series A Units may be reclassified as, as further described below. The Offering Price was determined by negotiation between RioCan and the Underwriters. For the initial five year period commencing on the Closing Date (as defined herein) and ending on and including March 31, 2016 (the "**Initial Fixed Rate Period**"), the holders of Series A Units will be entitled to receive fixed cumulative preferential cash distributions, as and when declared by the board of trustees of the Trust (the "**Board of Trustees**"), payable quarterly on the last business day of March, June, September and December in each year at an annual rate equal to \$1.3125 per Series A Unit. The initial distribution will be payable on March 31, 2011 and will be \$0.2301 per unit, based on the anticipated closing date of the Offering of January 26, 2011, or such other date as RioCan and the Underwriters may agree, but in no event later than February 2, 2011 (the "**Closing Date**"). See "Details of the Offering".

For each five-year period after the Initial Fixed Rate Period (each, a "**Subsequent Fixed Rate Period**"), the holders of Series A Units will be entitled to receive fixed cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of March, June, September and December during the Subsequent Fixed Rate Period, in an annual amount per unit determined by multiplying the Annual Fixed Distribution Rate (as defined herein) applicable to such Subsequent Fixed Rate Period by \$25.00. The Annual Fixed Distribution Rate for each Subsequent Fixed Rate Period will be equal to the sum of the Government of Canada Yield (as defined herein) on the 30th day prior to the first day of such Subsequent Fixed Rate Period plus 2.62%. See "Details of the Offering".

Option to Reclassify Into Series B Units

The holders of Series A Units will have the right, at their option, to reclassify their units as Preferred Units, Series B ("**Series B Units**") of the Trust, subject to certain conditions, on March 31, 2016 and on March 31 every five years thereafter. The holders of Series B Units will be entitled to receive floating rate cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of each Quarterly Floating Rate Period (as defined below), in the amount per unit determined by multiplying the applicable Floating Quarterly Distribution Rate (as defined herein) by \$25.00. The Floating Quarterly Distribution Rate will be equal to the sum of the T-Bill Rate (as defined herein) plus 2.62% (calculated on the basis of the actual number of days elapsed in the applicable Quarterly Floating Rate Period divided by 365) determined on the 30th day prior to the first day of the applicable Quarterly Floating Rate Period. See "Details of the Offering". The CRA (as hereinafter defined) has expressed the preliminary view that the reclassification of a Series A Unit as a Series B Unit (or of a Series B Unit as a Series A Unit) will likely result in a taxable disposition at that time.

The Series A Units will not be redeemable by the trust prior to March 31, 2016. On March 31, 2016 and on March 31 every five years thereafter, subject to certain other restrictions set out in “Details of the Offering – Description of the Series A Units – Restrictions on Distributions and Retirement and Issue of Equity Interests”, the Trust may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem for cash all or from time to time any part of the outstanding Series A Units for \$25.00 per Series A Unit, together with all accrued and unpaid distributions up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Trust). See “Details of the Offering”.

The Series A Units and the Series B Units do not have a fixed maturity date and are not redeemable at the option of the holders thereof. See “Risk Factors”.

DBRS Limited ("DBRS") has assigned a rating of Pfd-3 (High) for the Series A Units and Standard & Poor's ("S&P") has assigned a rating of P-3 (high) for the Series A Units.

There is currently no market through which these securities may be sold and purchasers may not be able to resell securities purchased under the Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.

The Toronto Stock Exchange (the “TSX”) has conditionally approved the listing of the Series A Units to be distributed under this prospectus supplement and the Series B Units which the Series A Units may be reclassified as. Listing is subject to RioCan fulfilling all the requirements of the TSX on or before April 18, 2011. The Series A Units will be listed on the TSX under the symbol “REI.PR.A”.

RioCan is an unincorporated “closed-end” trust constituted in accordance with the laws of the Province of Ontario pursuant to a declaration of trust that was most recently amended and restated as of December 6, 2010 (the “**Declaration of Trust**”). RioCan’s principal office is located at RioCan Yonge Eglinton Centre, 2300 Yonge Street, Suite 500, P.O. Box 2386, Toronto, Ontario, M4P 1E4.

Price: \$25.00 per Series A Unit to yield initially 5.25% per annum

	Price to the Public ⁽¹⁾	Underwriters’ Fee ⁽²⁾	Net Proceeds ⁽³⁾
Per Unit	\$25.00	\$0.75	\$24.25
Total Offering ⁽⁴⁾	\$100,000,000	\$3,000,000	\$97,000,000

- (1) The Offering Price of the Series A Units was determined by negotiation among RioCan and the Underwriters.
- (2) The Underwriters’ fee is \$0.25 for each Series A Unit sold to institutions and \$0.75 for all other Series A Units sold. The totals set forth in the table represent the Underwriters’ fee and net proceeds assuming no Series A Units are sold to such institutions. See “Plan of Distribution”.
- (3) Before deducting the expenses of the Offering, estimated at \$350,000, that, together with the Underwriters’ Fee, will be paid from the proceeds of the Offering.
- (4) RioCan has granted the Underwriters an option (the “Over-Allotment Option”), exercisable in whole or in part from time to time up to the 30th day following the closing of the Offering, to purchase up to 1,000,000 additional Series A Units at the initial Offering Price. If the Over-Allotment Option is exercised in full, the total Price to the Public, the Underwriters’ Fee and the Net Proceeds to RioCan will be \$125,000,000, \$3,750,000 and \$121,250,000, respectively. A purchaser who acquires Series A Units forming part of the Underwriters’ Over-Allotment Option acquires those Series A Units under this prospectus supplement, regardless of whether the Underwriters’ over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Please see “Plan of Distribution”.

Underwriters' Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	Option to acquire up to 1,000,000 Series A Units	Exercisable for a period of 30 days after the closing of the Offering	\$25.00 per Series A Unit
Total securities under option issuable to Underwriters	Option to acquire up to 1,000,000 Series A Units	See above	\$25.00 per Series A Unit

The Underwriters, as principals, conditionally offer the Series A Units, subject to the prior sale, if, as and when issued, sold and delivered by RioCan and accepted by the Underwriters in accordance with the conditions of the Underwriting Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of RioCan by Goodmans LLP and on behalf of the Underwriters by Torys LLP.

Subscriptions for the Series A Units will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of this Offering will take place on the Closing Date and it is expected that definitive certificates evidencing the Series A Units will be available for delivery in book-entry-only form through the services of CDS Clearing and Depository Services Inc. on or about the Closing Date.

Certain of the Underwriters are subsidiaries of Canadian chartered banks (the “Banks”). The Banks are lenders to RioCan. Consequently, RioCan may be considered to be a connected issuer of such Underwriters under applicable Canadian securities legislation. See “Plan of Distribution”.

RioCan is not a trust company and, accordingly, is not registered under the *Trust and Loan Companies Act* (Canada) or the trust company legislation of any province as it does not carry on, nor does it intend to carry on, the business of a trust company.

Investing in the Series A Units involves risks. See “Risk Factors”. Prospective investors should also be aware that the acquisition of Series A Units may have tax consequences in Canada. The Canadian federal income tax considerations that may arise in connection with the acquisition, holding, disposition or reclassification of preferred units of a trust are, in some respects, materially different from the acquisition, holding, disposition or exchange of preferred shares of a corporation. See “Principal Canadian Federal Income Tax Considerations” for a summary of certain Canadian federal income tax considerations generally applicable to a holder of Series A Units and/or Series B Units (a “Preferred Unitholder”).

Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions that stabilize or maintain the market price of the Series A Units at levels other than those that might otherwise prevail on the open market in accordance with applicable stabilization rules. The Underwriters may offer the Series A Units at a price lower than that stated above. See “Plan of Distribution”.

The Series A Units and Series B Units which the Series A Units may be reclassified as are being issued pursuant to the Declaration of Trust which authorizes the issuance of up to an aggregate of 50 million preferred units of the Trust (“Preferred Units”).

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DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed, as of the date hereof, to be incorporated by reference into the accompanying short form base shelf prospectus (the "Prospectus") only for the purpose of the distribution of the Series A Units pursuant to the Offering.

The following documents of RioCan, which have been filed with the securities commission or similar authority in each of the provinces of Canada, are specifically incorporated by reference into the accompanying Prospectus as supplemented by this prospectus supplement:

- (a) RioCan's annual information form dated March 21, 2010;
- (b) the audited consolidated comparative financial statements and the notes thereto for the fiscal years ended December 31, 2009 and 2008 together with the auditors' report thereon, including management's discussion and analysis relating thereto;
- (c) RioCan's management information circular dated March 31, 2010 regarding RioCan's annual and special meeting of unitholders held on June 4, 2010; and
- (d) the unaudited comparative financial statements and the notes thereto for the three and nine month periods ended September 30, 2010, including management's discussion and analysis relating thereto (the "**Interim Financial Report**").

Any documents of the type referred to above or in Section 11.1 of Form 44-101F1, including any material change reports (excluding confidential reports), annual and interim financial statements (including management's discussion and analysis filed in connection with such annual and interim financial statements), and information circulars or annual filings

that are filed by RioCan with the various securities commissions or any similar authorities in the provinces of Canada on or after the date of this prospectus supplement and prior to the termination of the distribution under this prospectus supplement shall be deemed to be incorporated by reference into this prospectus supplement.

Any statement contained in the Prospectus, in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference in the Prospectus for the purposes of this distribution will be deemed to be modified or superseded, for purposes of the Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference into the Prospectus modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or included any other information set out in the document that it modifies or supersedes. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of the Prospectus for purposes of this distribution. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

THE TRUST

RioCan is a Canadian real estate investment trust with a total capitalization of approximately \$10 billion as at September 30, 2010 with its principal office located at RioCan Yonge Eglinton Centre, 2300 Yonge Street, Suite 500, P.O. Box 2386, Toronto, Ontario, M4P 1E4. RioCan is a reporting issuer in each of the Provinces and territories of Canada and the units of the Trust (“Units”) are listed on the TSX under the symbol “REI.UN”.

RECENT DEVELOPMENTS

Consistent with RioCan’s past practices and in the normal course of business, RioCan is engaged in discussions with respect to possible acquisitions of new properties and dispositions of existing properties in RioCan’s portfolio. There can be no assurance that any of these discussions will result in a definitive agreement, and, if they do, what the terms or timing of any acquisition or disposition would be. RioCan expects to continue current discussions and actively pursue other acquisition, investment and disposition opportunities.

RioCan or joint ventures in which it holds an interest currently have a number of properties under various stages of due diligence or under firm contracts in Canada and the US. If completed, these properties represent in excess of \$33.5 million and US\$50 million of potential acquisitions in Canada and the US, respectively.

On December 15, 2010, RioCan announced that it has issued a notice of redemption to holders of its \$200 million 4.91% Series F senior unsecured debentures due March 8, 2011 (the “**Series F Debentures**”), representing a redemption in full of all of the currently outstanding Series F Debentures. The Series F Debentures will be redeemed on January 20, 2011, in accordance with their terms, at a total redemption price of \$1,004.89 plus accrued and unpaid interest of \$18.02575 to but excluding the redemption date, both per \$1,000 principal amount.

On December 16, 2010, the Department of Finance announced proposed amendments to the REIT Exception, proposed to be effective as of January 1, 2011. RioCan has advised that it expects to be able to qualify for the REIT Exception under these proposed rules.

On January 12, 2011, RioCan announced that in its fourth quarter of 2010 it had completed the acquisition of four properties in Canada at an aggregate purchase price of \$79.2 million with a weighted average cap rate of 7.2%. RioCan also announced that in December 2010, it completed the eight property portfolio acquisition from Inland Western Retail REIT included in the announcement dated May 20, 2010 with the closing of the final three assets. The final three properties were acquired at a purchase price of US\$62.1 million at a cap rate of approximately 7.7%.

On January 12, 2011, RioCan also announced that it has entered into an agreement of purchase and sale with respect to four Canadian properties that represent \$33.5 million of additional acquisition opportunities. It is expected that

these transactions will be completed in the first quarter of 2011. Included in the four properties are three stand-alone retail properties all occupied by a national retailer that total 44,500 square feet and if acquired would represent approximately \$14.5 million of additional acquisitions at a 7.1% cap rate. These properties are in various stages of due diligence and while efforts will be made to complete these acquisitions, no assurance can be given.

On January 17, 2011, concurrently with its announcement of the Offering, RioCan announced it had entered into an agreement to issue to the public \$225 million principal amount of Series O senior unsecured debentures (the “**Series O Debentures**”). The Series O Debentures are being issued by a syndicate of underwriters co-led by RBC Capital Markets, CIBC World Markets and TD Securities Inc. The Series O Debenture offering is expected to close on or about January 21, 2011. This Offering is not conditional upon the completion of the offering of the Series O Debentures.

On January 17, 2011, as contemplated in its press release announcing the Offering and the proposed offering of the Series O Debentures, RioCan announced that it is issuing a notice of redemption to holders of its \$180 million Series L Debentures, representing redemption in full of all of the currently outstanding Series L Debentures. The Series L Debentures will be redeemed on February 24, 2011, in accordance with their terms, at a total redemption price of \$1,131.85 plus accrued and unpaid interest of \$32.86356 to but excluding the redemption date, both per \$1,000 principal amount. RioCan will use cash on hand, together with a portion of proceeds to be received in connection with the Offering and the issuance of the Series O Debentures to fund the redemption by RioCan of the Series L Debentures. See “Use of Proceeds”.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, RioCan has agreed to issue and sell and the Underwriters have severally agreed to purchase on January 26, 2011, or such other date as may be agreed upon, but in any event not later than February 2, 2011, subject to compliance with all necessary legal requirements and to the terms and conditions contained in the Underwriting Agreement, an aggregate of 4,000,000 Series A Units at a purchase price of \$25.00 per Series A Unit, for an aggregate gross consideration of \$100,000,000, payable in cash to RioCan by the Underwriters against delivery of the Series A Units on the Closing Date. The Underwriting Agreement provides that the Trust will pay to the Underwriters a fee of \$0.25 per unit for Series A Units sold to institutions and \$0.75 per unit for all other Series A Units purchased by the Underwriters in consideration for their services in connection with this Offering. The Offering Price of the Units was determined by negotiation between RioCan and the Underwriters.

RioCan has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part at any one time up to 30 days following the closing of the Offering, to purchase up to 1,000,000 additional Series A Units at the initial Offering Price. If the Over-Allotment Option is exercised in full, the total price to the public before deducting the Underwriters fee or the expenses of the Offering, will be \$125,000,000. A purchaser who acquires Series A Units forming part of the Over-Allotment Option acquires those Series A Units under this prospectus supplement, regardless of whether the Underwriters’ over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The initial distribution on the Series A Units will be payable on March 31, 2011 and will be \$0.2301 per unit, based on the anticipated closing date of the Offering of January 26, 2011. See “Details of the Offering”.

The terms and provisions attaching to the Series A Units shall be as set out under “Details of the Offering”.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the Underwriting Agreement.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Series A Units. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the

Series A Units. These exceptions include bids or purchases permitted under the bylaws and rules of the TSX relating to market stabilization and passive market making activities and bids or purchases made for and on behalf of a customer where the order was not solicited during the period of distribution. Under the first mentioned exception, in connection with this Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Series A Units at levels other than those which might otherwise prevail in the open market. Those transactions, if commenced, may be interrupted or discontinued at any time.

The TSX has conditionally approved the listing of the Series A Units to be distributed under this prospectus supplement and the Series B Units which the Series A Units may be reclassified as. Listing will be subject to RioCan fulfilling all of the requirements of the TSX on or before April 18, 2011. The Series A Units will be listed on the TSX under the symbol "REI.PR.A".

The Underwriting Agreement provides that RioCan will not create, issue or sell (or agree or announce any such agreement to create, issue or sell), directly or indirectly, (except in certain limited circumstances) any Preferred Units or other securities convertible into Preferred Units, without the prior written consent of RBC Dominion Securities, on behalf of the Underwriters, for a period of 90 days following the Closing Date, such consent not to be unreasonably withheld or delayed.

The Underwriters propose to offer the Series A Units initially at the Offering Price. After a reasonable effort has been made to sell all of the Series A Units at the Offering Price, the Underwriters may subsequently reduce and thereafter change, from time to time, the price at which the Series A Units are offered to an amount not greater than the Offering Price. The compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Series A Units is less than the gross proceeds paid by the Underwriters to the Trust.

The Trust has agreed to indemnify the Underwriters against certain liabilities including certain liabilities under Canadian provincial securities legislation.

This Offering is being made in each of the Provinces of Canada. The Series A Units offered hereunder have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and accordingly may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriting Agreement permits the Underwriters to reoffer and resell Series A Units within the United States through their U.S. broker-dealer affiliates to Qualified Institutional Buyers in the United States in accordance with Rule 144A under the U.S. Securities Act. This prospectus supplement does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Units in the United States. In addition, until 40 days after the commencement of the Offering, any offer or sale of the Series A Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements under the U.S. Securities Act.

Certain of the Underwriters including RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc. and National Bank Financial Inc. are wholly-owned subsidiaries of the Banks, which are lenders to RioCan. As of January 19, 2011, RioCan was indebted to the Banks in an aggregate amount of approximately \$1,024,831,000, which debt is secured by specific properties. Consequently, RioCan may be considered a connected issuer of such Underwriters for the purposes of the securities regulations of certain Canadian provinces. As of the date of this prospectus supplement, RioCan is in compliance with the terms of its indebtedness. Since the date the indebtedness was incurred, the financial position of RioCan and the value of the collateral granted as security for the indebtedness have not materially changed. The Underwriters have advised that the decision to underwrite the Offering was made independently of the Banks and the Banks had no influence as to the determination of the terms of the distribution. The Underwriters will not receive any benefit in connection with this Offering other than the Underwriters' fee payable by RioCan.

USE OF PROCEEDS

The estimated net proceeds to RioCan from this Offering, after deducting the Underwriters' fee of \$3,000,000 and the estimated expenses of this Offering of \$350,000, but before giving effect to any exercise of the Over-Allotment Option, will be approximately \$96,650,000 and after giving effect to the exercise in full of the Over-Allotment Option, will be approximately \$120,900,000. RioCan will use a portion of such net proceeds, together with a portion of proceeds received from the issuance of Series O Debentures anticipated to occur on or about January 21, 2011, to redeem its \$180 million 8.33% Series L senior unsecured debentures due April 3, 2014 ("**Series L Debentures**") and the balance of the proceeds for general trust purposes.

PRICE RANGE AND TRADING VOLUME

The Units are listed and posted for trading on the TSX under the symbol "REI.UN".

The monthly volume of trading and price ranges of the Units on the TSX over the 12 months prior to the date of this prospectus supplement are set forth in the following table:

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
	\$	\$	
January 2010	20.07	18.98	10,824,420
February 2010	19.86	17.45	14,037,787
March 2010	19.88	18.46	15,310,832
April 2010	19.69	18.25	11,533,176
May 2010	20.00	17.25	11,425,922
June 2010.....	19.80	18.26	9,028,716
July 2010	20.94	18.80	7,624,746
August 2010	21.57	19.86	11,123,901
September 2010.....	23.12	20.85	12,786,235
October 2010.....	23.07	22.21	8,556,130
November 2010.....	23.40	21.56	9,632,283
December 2010.....	22.22	21.12	13,238,157
January 1 to 18, 2011	23.04	21.95	6,381,717

There is currently no market through which the Series A Units or Series B Units may be sold and purchasers may not be able to resell securities purchased under the Prospectus. This may affect the pricing of these securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors". The TSX has conditionally approved the listing of the Series A Units to be distributed under this prospectus supplement and the Series B Units which the Series A Units may be reclassified as. Listing will be subject to RioCan fulfilling all of the requirements of the TSX on or before April 18, 2011. The Series A Units will be listed on the TSX under the symbol "REI.PR.A".

CONSOLIDATED CAPITALIZATION

There have been no material changes in the number of Units outstanding and indebtedness of RioCan since September 30, 2010, the date of RioCan's unaudited interim financial statements for its most recently completed quarter filed with the securities regulatory authorities, other than 1,062,493 Units issued pursuant to RioCan's distribution reinvestment plan, 16,470 Units issued pursuant to RioCan's unit purchase plan, 324,500 Units issued pursuant to RioCan's unit option plan, 6,425,000 Units issued pursuant to an offering completed on December 21, 2010, and a net increase in secured indebtedness of approximately \$372,359,000 which has been incurred in the ordinary course of business. On January 20, 2011, RioCan will redeem in full its \$200.0 million outstanding Series F Debentures. As announced on January 17, 2011, RioCan will redeem its \$180 million Series L Debentures on February 24, 2011. As noted under "Recent Developments" RioCan currently anticipates the issuance of \$225 million Series O Debentures on or

about January 21, 2011.

EARNINGS COVERAGE RATIOS

The earnings coverage ratios set forth below have been prepared in accordance with applicable Canadian securities law disclosure requirements. The ratios immediately below do not take into account any carrying costs associated with the proposed issuance of Series O Debentures, which offering was announced by RioCan on January 17, 2011 concurrently with its announcement of the Offering and which issuance is expected to close on or about January 21, 2011. Please see “Supplementary Earnings Coverage” below for the earnings coverage ratios that take into account the carrying costs associated with the proposed issuance of Series O Debentures.

In February 2008, the Canadian Accounting Standards Board confirmed that all publically accountable enterprises would be required to report under IFRS for fiscal years beginning on or after January 1, 2011. The earnings coverage ratios included in this prospectus supplement are based on financial results from the fiscal year and interim period ending prior to January 1, 2011 and therefore such figures do not contemplate the impact of the Trust’s transition to IFRS.

The consolidated interest expense on RioCan’s debt for the 12 months ended December 31, 2009 was \$209,213,000. Consolidated net income for such 12-month period, before interest expense and income taxes was \$302,857,000, which is 1.45 times RioCan’s consolidated interest expense for such period.

RioCan’s distribution requirements on all of its Preferred Units, after giving pro forma effect to the issue of the Series A Units to be distributed under this prospectus, but without recognizing any earnings related to any such transactions, and all servicing costs that have been, or are expected to be, incurred in connection therewith, amount to \$5,250,000 for the 12 months ended December 31, 2009. RioCan’s interest requirements for the 12 months ended December 31, 2009 giving pro forma effect to the issuance of any debt and any repayment of any debt since this date, including (i) the issuance on September 21, 2010 of US\$100 million 4.10% series N senior unsecured debentures due September 21, 2015, and (ii) RioCan’s planned early redemption of the Series F Debentures to occur on January 20, 2011 and the early redemption of the Series L Debentures contemplated under “Use of Proceeds”, together with the prepayment penalties associated with each such early redemption, but excluding the proposed issuance of the Series O Debentures, amounted to \$253,963,000. RioCan’s consolidated net income before interest expense and income taxes for the 12 months ended December 31, 2009 was \$302,857,000, which is 1.17 times the Trust’s aggregate distributions on preferred units and interest requirements for this period.

The consolidated interest expense on RioCan’s debt for the 12 months ended September 30, 2010 was \$225,646,000. Consolidated net income for such 12-month period, before interest expense and income taxes was \$365,621,000, which is 1.62 times RioCan’s consolidated interest expense for such period.

RioCan’s distribution requirements on all of its Preferred Units, after giving pro forma effect to the issue of the Series A Units to be distributed under this prospectus, but without recognizing any earnings related to any such transactions, and all servicing costs that have been, or are expected to be, incurred in connection therewith, amount to \$5,250,000 for the 12 months ended September 30, 2010. RioCan’s interest requirements for the 12 months ended September 30, 2010 giving pro forma effect to the issuance of any debt and any repayment of any debt since this date, including (i) the issuance on September 21, 2010 of US\$100 million 4.10% series N senior unsecured debentures due September 21, 2015, and (ii) RioCan’s planned early redemption of the Series F Debentures to occur on January 20, 2011 and the early redemption of the Series L Debentures contemplated under “Use of Proceeds”, together with the prepayment penalties associated with each such early redemption, but excluding the proposed issuance of the Series O Debentures, amounted to \$244,852,000. RioCan’s consolidated net income before interest expense and income taxes for the 12 months ended September 30, 2010 was \$365,621,000, which is 1.46 times the Trust’s aggregate distributions on preferred units and interest requirements for this period.

SUPPLEMENTARY EARNINGS COVERAGE

RioCan's consolidated net income, before interest expense, income taxes, non-recurring items, depreciation and amortization and other non-cash items (such as non-controlling interest), for the 12 months ended September 30, 2010 and including any transactions subsequent to this date involving the issuance of long-term debt and changes in indebtedness, including the early redemption of the Series F Debentures to occur on January 20, 2011 and the early redemption of the Series L Debentures contemplated under "Use of Proceeds", and assuming the completion of the proposed issuance of the Series O Debentures and attributing imputed earnings related to all such transactions, and all servicing costs that have been, or are expected to be, incurred in connection therewith, would have been \$545,873,000, which is 2.16 times RioCan's \$252,958,000 pro forma aggregate distributions on preferred units and consolidated interest expense (including the prepayment penalties associated with each such early redemption) for such period.

RioCan's consolidated net income, before interest expense, income taxes, non-recurring items, depreciation and amortization and other non-cash items (such as non-controlling interest), for the 12 months ended September 30, 2010 and including any transactions subsequent to this date involving the issuance of long-term debt and changes in indebtedness, including the early redemption of the Series F Debentures to occur on January 20, 2011 and the early redemption of the Series L Debentures contemplated under "Use of Proceeds", and assuming the completion of the proposed issuance of the Series O Debentures and attributing imputed earnings related to all such transactions, and all servicing costs that have been, or are expected to be, incurred in connection therewith, would have been \$545,873,000, which is 2.39 times RioCan's \$228,247,000 pro forma aggregate distributions on preferred units and consolidated interest expense (excluding the prepayment penalties associated with each such early redemption) for such period.

RATINGS

The Series A Units have been assigned a rating of "Pfd-3 (high)" by DBRS Limited ("DBRS") and a rating of "P-3 (high)" by Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc. ("S&P"). DBRS has five categories of preferred shares for which it will assign a rating. The "Pfd-3" rating is the third highest category available from DBRS for preferred securities and is considered to be of adequate credit quality. According to DBRS, preferred securities rated "Pfd-3" are of adequate credit quality and while protection of distributions and principal is still considered acceptable, the issuing entity is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection. Pfd-3 ratings generally correspond with companies whose senior bonds are rated in the higher end of the BBB category. A "P-3 (High)" rating by S&P is the third of the three sub-categories within the second highest rating of the eight standard categories of ratings utilized by S&P for preferred units. "High" and "low" grades may be used to indicate a relative standing of a credit within a particular rating category.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or an issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Series A Units may not reflect the potential impact of all risks on the value of the Series A Units. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency. Prospective investors should consult the relevant rating organization with respect to the interpretation and implications of the ratings.

DETAILS OF THE OFFERING

Description of the Series A Units

The following is a summary of certain provisions attaching to the Series A Units as a series.

Definition of Terms

The following definitions are relevant to the Series A Units:

"Annual Fixed Distribution Rate" means, for any Subsequent Fixed Rate Period, the rate (expressed as a

percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.62%.

“Bloomberg Screen GCAN5YR Page” means the display designated as page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields.

“Fixed Rate Calculation Date” means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

“Government of Canada Yield” on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by the Trust, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

“Initial Fixed Rate Period” means the period commencing on the Closing Date and ending on and including March 31, 2016.

“Subsequent Fixed Rate Period” means for the initial Subsequent Fixed Rate Period, the period commencing on April 1, 2016 and ending on and including March 31, 2021 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including March 31 in the fifth year thereafter.

Issue Price

The Series A Units will have an issue price of \$25.00 per unit.

Distributions

During the Initial Fixed Rate Period, the holders of the Series A Units will be entitled to receive fixed cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of March, June, September and December in each year during the Initial Fixed Rate Period, at an annual rate equal to \$1.3125 per Series A Unit. The initial distribution will be payable on March 31, 2011 and will be \$0.2301 per Series A Unit, based on the anticipated Closing Date of January 26, 2011.

During each Subsequent Fixed Rate Period, the holders of Series A Units will be entitled to receive fixed cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of March, June, September and December in each year during the Subsequent Fixed Rate Period, in an annual amount per Series A Unit determined by multiplying the Annual Fixed Distribution Rate applicable to such Subsequent Fixed Rate Period by \$25.00.

The Annual Fixed Distribution Rate applicable to a Subsequent Fixed Rate Period will be determined by the Trust on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Trust and upon all holders of Series A Units. The Trust will, on the Fixed Rate Calculation Date, give written notice of the Annual Fixed Distribution Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series A Units.

Payment of distributions and other amounts in respect of the Series A Units will be made by the Trust to CDS, or its nominee, as the case may be, as registered holder of the Series A Units. As long as CDS, or its nominee, is the registered holder of the Series A Units, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series A Units for the purposes of receiving payment on the Series A Units.

Redemption

The Series A Units will not be redeemable by the Trust prior to March 31, 2016. On March 31, 2016 and on March 31 every five years thereafter (or, if such date is not a business day, the immediately following business day), and subject to certain other restrictions set out in “Description of the Series A Units – Restrictions on Distributions and Retirement and Issue of Equity Interests”, the Trust may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or from time to time any part of the outstanding Series A Units by payment in cash of a per unit sum equal to \$25.00, together with all accrued and unpaid distributions up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Trust).

If less than all of the outstanding Series A Units are to be redeemed, the Series A Units to be redeemed shall be selected on a pro rata basis disregarding fractions or, if such Series A Units are at such time listed on the TSX, with the consent of the TSX, in such manner as the Board of Trustees in its sole discretion may, by resolution, determine.

The Series A Units do not have a fixed maturity date and are not redeemable at the option of the holders of Series A Units. See “Risk Factors”.

Reclassification of Series A Units as Series B Units

Holders of Series A Units will have the right, at their option, on March 31, 2016 and on March 31 every five years thereafter (a “**Series A Reclassification Date**”), to reclassify, subject to the restrictions on reclassification described below and the payment of the tax, if any, required to be paid or remitted by the Trust in connection with the reclassification, all or any of their Series A Units registered in their name as Series B Units on the basis of one Series B Unit for each Series A Unit. If a Series A Reclassification Date would otherwise fall on a day that is not a business day, such Series A Reclassification Date shall be the immediately following business day. The reclassification of Series A Units may be effected upon written notice given by the registered holders of the Series A Units not earlier than the 30th day prior to, but not later than 5:00pm (Toronto time) on the 15th day preceding, a Series A Reclassification Date. Once received by the Trust, an election notice is irrevocable. If the Trust does not receive an election notice from a holder of Series A Units during such time, the Series A Units held by such holder shall be deemed not to have been reclassified.

The Trust will, at least 30 days and not more than 60 days prior to the applicable Series A Reclassification Date, give notice in writing to the then registered holders of the Series A Units of the above-mentioned reclassification privilege. On the 30th day prior to each Series A Reclassification Date, the Trust will give notice in writing to the then registered holders of the Series A Units of the Annual Fixed Distribution Rate for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Distribution Rate (as defined below) applicable to the Series B Units for the next succeeding Quarterly Floating Period (defined below).

If the Trust gives notice to the registered holders of the Series A Units of the redemption on a Series A Reclassification Date of all of the Series A Units, the Trust will not be required to give notice as provided hereunder to the registered holders of the Series A Units of the Floating Quarterly Distribution Rate, the Annual Fixed Distribution Rate or the reclassification privilege of holders of Series A Units and the right of any holder of Series A Units to reclassify such Series A Units as Series B Units will cease and terminate in that event.

Holders of Series A Units will not be entitled to reclassify their Series A Units as Series B Units if the Trust determines that there would remain outstanding on a Series A Reclassification Date less than 500,000 Series B Units, after taking into account all Series A Units in respect of which a notice of reclassification as Series B Units has been provided and all Series B Units in respect of which a notice of reclassification as Series A Units has been provided. The Trust will give notice in writing to all affected holders of Series A Units of their inability to reclassify their Series A Units at least

seven days prior to the applicable Series A Reclassification Date. Furthermore, if the Trust determines that there would remain outstanding on a Series A Reclassification Date less than 500,000 Series A Units after taking into account all Series A Units in respect of which a notice of reclassification as Series B Units has been provided and all Series B Units in respect of which a notice of reclassification as Series A Units has been provided then each of the remaining outstanding Series A Units will automatically be reclassified as Series B Units on the Series A Reclassification Date on a one for one basis. The Trust will give notice in writing to this effect to the then registered holders of such remaining Series A Units at least seven days prior to the Series A Reclassification Date.

Upon exercise by a registered holder of its reclassification privilege in respect of reclassifying Series A Units as Series B Units (and upon an automatic reclassification), the Trust reserves the right not to deliver Series B Units to any person whose address is in, or whom the Trust or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Trust to take any action to comply with the securities or analogous laws of such jurisdiction.

If the Trust is subject to any tax or any obligation to withhold and/or remit tax in respect of the reclassification of Class A Units, it is permitted to withhold and sell a portion of the reclassified units that would otherwise be issued to the holder of Class A Units that has elected to reclassify.

Purchase for Cancellation

Subject to applicable law and to the provisions described under “Description of the Series A Units – Restrictions on Distributions and Retirement and Issue of Equity Interests” below, the Trust may at any time purchase for cancellation the whole or any part of the Series A Units at the lowest price or prices at which, in the opinion of the Board of Trustees, such units are obtainable.

Rights on Termination or Liquidation

In the event of the termination, liquidation, dissolution or winding-up of the Trust or any other distribution of assets of the Trust among its unitholders for the purpose of winding-up its affairs, the holders of the Series A Units will be entitled to receive \$25.00 per Series A Unit, together with all accrued and unpaid distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Trust), before any amount is paid or any assets of the Trust are distributed to the holders of any Units or Preferred Units (collectively, “**Equity Interests**”) ranking junior as to capital to the Series A Units. Upon payment of such amounts, the holders of the Series A Units will not be entitled to share in any further distribution of the assets of the Trust.

Priority

The Series A Units rank senior to the Units and over any other units of the Trust ranking junior to the Series A Units and Series B Units with respect to priority in the payment of distributions and in the distribution of assets in the event of the termination, liquidation, dissolution or winding-up of the Trust, whether voluntary or involuntary, or in the event of any other distribution of assets of the Trust among its unitholders for the purpose of winding-up its affairs. The Series A Units shall rank on parity with the Series B Units for purposes of the foregoing. No Preferred Units shall be issued that rank prior to the Series A Units and Series B Units.

Restrictions on Distributions and Retirement and Issue of Equity Interests

So long as any of the Series A Units are outstanding, the Trust shall not, without the approval of the holders of the Series A Units:

- (a) declare, pay or set apart for payment any distributions (other than amounts that are paid solely through the issuance of additional Units) on Equity Interests of the Trust ranking as to distributions junior to the Series A Units;

- (b) except out of the net cash proceeds of a substantially concurrent issue of Equity Interests of the Trust ranking as to return of capital and distributions junior to the Series A Units, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Equity Interests of the Trust ranking as to capital junior to the Series A Units;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series A Units then outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Preferred Units, ranking as to the payment of distributions or return of capital on a parity with the Series A Units;

unless, in each such case, all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which all distributions were payable on the Series A Units and on all other Equity Interests of the Trust ranking on a parity with the Series A Units with respect to the payment of distributions have been declared paid or set apart for payment.

Series A Unitholder Approvals

In addition to any other approvals required by law, the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series A Units as a series and any other approval to be given by the holders of the Series A Units may be given by a resolution carried by an affirmative vote of at least 66 2/3% of the votes cast at a meeting at which the holders of a majority of the outstanding Series A Units are present or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series A Units then present would form the necessary quorum. At any meeting of holders of Series A Units as a series, each such holder shall be entitled to one vote in respect of each Series A Unit held.

Voting Rights

The holders of the Series A Units will not (except as otherwise provided by law, and except for meetings of the holders of Preferred Units as a class and meetings of all holders of Series A Units as a series as contemplated by the Declaration of Trust) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Trust unless and until the Trust shall have failed to pay eight quarterly distributions on the Series A Units, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of the Trust properly applicable to the payment of distributions. In the event of such non-payment, and for only so long as any such distributions remain in arrears, the holders of the Series A Units will be entitled to receive notice of and to attend each meeting of unitholders of the Trust (other than any meetings at which only holders of another specified class or series are entitled to vote) and such holders of Series A Units shall have the right, at any such meeting, to one vote for each Series A Unit held.

No other voting rights shall attach to the Series A Units in any circumstances. Upon payment of the entire amount of all distributions on the Series A Units in arrears, the voting rights of the holders of the Series A Units shall forthwith cease (unless and until the same default shall again arise under the foregoing provisions).

Tax Matters

The Trust's income and net taxable gains for the purposes of the Tax Act will be allocated to the holders of Units and Preferred Units in the same proportion as the distributions received by such holders.

Description of the Series B Units

The following is a summary of certain provisions attaching to the Series B Units as a series.

Definition of Terms

The following definitions are relevant to the Series B Units:

“Floating Quarterly Distribution Rate” means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.62% (calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365).

“Floating Rate Calculation Date” means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

“Quarterly Commencement Date” means the 1st of each of April, July, October and January in each year.

“Quarterly Floating Rate Period” means, for the initial Quarterly Floating Rate Period, the period commencing on April 1, 2016 and ending on and including June 30, 2016, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

“T-Bill Rate” means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

Distributions

The holders of the Series B Units will be entitled to receive floating rate cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of each Quarterly Floating Rate Period, in an amount per Series B Unit determined by multiplying the applicable Floating Quarterly Distribution Rate by \$25.00.

The Floating Quarterly Distribution Rate for each Quarterly Floating Rate Period will be determined by the Trust on the Floating Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Trust and upon all holders of Series B Units. The Trust will, on the Floating Rate Calculation Date, give written notice of the Floating Quarterly Distribution Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series B Units.

Payment of distributions and other amounts in respect of the Series B Units will be made by the Trust to CDS, or its nominee, as the case may be, as registered holder of the Series B Units. As long as CDS, or its nominee, is the registered holder of the Series B Units, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series B Units for the purposes of receiving payment on the Series B Units.

Redemption

Subject to certain other restrictions set out in “Description of the Series B Units – Restrictions on Distributions and Retirement and Issue of Equity Interests”, the Trust may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or from time to time any part of the outstanding Series B Units by payment in cash of a per unit sum equal to (i) \$25.00 in the case of redemptions on March 31, 2021 and on March 31 every five years thereafter (each, a **“Series B Reclassification Date”**), or (ii) \$25.50 in the case of redemptions on any date which is not a Series B

Reclassification Date after March 31, 2016, in each case together with all accrued and unpaid distributions up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Trust).

If less than all of the outstanding Series B Units are to be redeemed, the Series B Units to be redeemed shall be selected on a pro rata basis disregarding fractions or, if such Series B Units are at such time listed on the TSX, with the consent of the TSX, in such manner as the Board of Trustees in its sole discretion may, by resolution, determine.

The Series B Units do not have a fixed maturity date and are not redeemable at the option of the holders of Series B Units. See “Risk Factors”.

Reclassification of Series B Units as Series A Units

Holders of Series B Units will have the right, at their option, on each Series B Reclassification Date, to reclassify, subject to the restrictions on reclassification described below and the payment of the tax, if any, required to be paid or remitted by the Trust in connection with the reclassification, all or any of their Series B Units registered in their name as Series A Units on the basis of one Series A Unit for each Series B Unit. If a Series B Reclassification Date would otherwise fall on a day that is not a business day, such Series B Reclassification Date shall be the immediately following business day. The reclassification of Series B Units may be effected upon written notice given by the registered holders of the Series B Units not earlier than the 30th day prior to, but not later than 5:00pm (Toronto time) on the 15th day preceding, a Series B Reclassification Date. If the Trust does not receive an election notice from a holder of Series B Units during such time, the Series B Units held by such holder shall be deemed not to have been reclassified. Once received by the Trust, an election notice is irrevocable.

The Trust will, at least 30 days and not more than 60 days prior to the applicable Series B Reclassification Date, give notice in writing to the then registered holders of the Series B Units of the above-mentioned reclassification privilege. On the 30th day prior to each Series B Reclassification Date, the Trust will give notice in writing to the then registered holders of the Series B Units of the Floating Quarterly Distribution Rate for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Distribution Rate applicable to the Series A Units for the next succeeding Subsequent Fixed Rate Period.

If the Trust gives notice to the registered holders of the Series B Units of the redemption on a Series B Reclassification Date of all of the Series B Units, the Trust will not be required to give notice as provided hereunder to the registered holders of the Series B Units of the Annual Fixed Distribution Rate, the Floating Quarterly Distribution Rate or the reclassification privilege of holders of Series B Units and the right of any holder of Series B Units to reclassify such Series A Units into Series B Units will cease and terminate in that event.

Holders of Series B Units will not be entitled to reclassify their Series B Units as Series A Units if the Trust determines that there would remain outstanding on a Series B Reclassification Date less than 500,000 Series A Units, after taking into account all Series B Units in respect of which a notice of reclassification as Series A Units has been provided and all Series A Units in respect of which a notice of reclassification as Series B Units has been provided. The Trust will give notice in writing to all affected holders of Series B Units of their inability to reclassify their Series B Units at least seven days prior to the applicable Series B Reclassification Date. Furthermore, if the Trust determines that there would remain outstanding on a Series B Reclassification Date less than 500,000 Series B Units after taking into account all Series B Units in respect of which a notice of reclassification as Series A Units has been provided and all Series A Units in respect of which a notice of reclassification as Series B Units has been provided then each of the remaining outstanding Series B Units will automatically be reclassified as Series A Units on the Series B Reclassification Date on a one for one basis. The Trust will give notice in writing to this effect to the then registered holders of such remaining Series B Units at least seven days prior to the Series B Reclassification Date.

Upon exercise by a registered holder of its reclassification privilege in respect of reclassifying Series B Units as Series A Units (and upon an automatic reclassification), the Trust reserves the right not to deliver Series A Units to any person whose address is in, or whom the Trust or its transfer agent has reason to believe is a resident of, any jurisdiction

outside Canada, to the extent that such issue would require the Trust to take any action to comply with the securities or analogous laws of such jurisdiction.

If the Trust is subject to any tax or any obligation to withhold and/or remit tax in respect of the reclassification of Class B Units, it is permitted to withhold and sell a portion of the reclassified units that would otherwise be issued to the holder of Class B Units that has elected to reclassify.

Purchase for Cancellation

Subject to applicable law and to the provisions described under “Description of the Series B Units – Restrictions on Distributions and Retirement and Issue of Equity Interests” below, the Trust may at any time purchase for cancellation the whole or any part of the Series B Units at the lowest price or prices at which, in the opinion of the Board of Trustees, such units are obtainable.

Rights on Termination or Liquidation

In the event of the termination, liquidation, dissolution or winding-up of the Trust or any other distribution of assets of the Trust among its unitholders for the purpose of winding-up its affairs, the holders of the Series B Units will be entitled to receive \$25.00 per Series B Unit, together with all accrued and unpaid distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Trust), before any amount is paid or any assets of the Trust are distributed to the holders of any Equity Interests ranking junior as to capital to the Series B Units. Upon payment of such amounts, the holders of the Series B Units will not be entitled to share in any further distribution of the assets of the Trust.

Priority

The Series B Units rank senior to the Units and over any other units of the Trust ranking junior to the Series B Units and Series A Units with respect to priority in the payment of distributions and in the distribution of assets in the event of the termination, liquidation, dissolution or winding-up of the Trust, whether voluntary or involuntary, or in the event of any other distribution of assets of the Trust among its unitholders for the purpose of winding-up its affairs. The Series B Units shall rank on parity with the Series A Units for purposes of the foregoing. No Preferred Units shall be issued that rank prior to the Series A Units and Series B Units.

Restrictions on Distributions and Retirement and Issue of Equity Interests

So long as any of the Series B Units are outstanding, the Trust shall not, without the approval of the holders of the Series B Units:

- (e) declare, pay or set apart for payment any distributions (other than amounts that are paid solely through the issuance of additional Units) on Equity Interests of the Trust ranking as to distributions junior to the Series B Units;
- (f) except out of the net cash proceeds of a substantially concurrent issue of Equity Interests of the Trust ranking as to return of capital and distributions junior to the Series B Units, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Equity Interests of the Trust ranking as to capital junior to the Series B Units;
- (g) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series B Units then outstanding; or
- (h) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Preferred Units, ranking as to the payment of distributions or return of capital

on a parity with the Series B Units;

unless, in each such case, all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which all distributions were payable on the Series B Units and on all other Equity Interests of the Trust ranking on a parity with the Series B Units with respect to the payment of distributions have been declared paid or set apart for payment.

Series B Unitholder Approvals

In addition to any other approvals required by law, the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series B Units as a series and any other approval to be given by the holders of the Series B Units may be given by a resolution carried by an affirmative vote of at least 66 2/3% of the votes cast at a meeting at which the holders of a majority of the outstanding Series B Units are present or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series B Units then present would form the necessary quorum. At any meeting of holders of Series B Units as a series, each such holder shall be entitled to one vote in respect of each Series B Unit held.

Voting Rights

The holders of the Series B Units will not (except as otherwise provided by law, and except for meetings of the holders of Preferred Units as a class and meetings of all holders of Series B Units as a series as contemplated by the Declaration of Trust) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Trust unless and until the Trust shall have failed to pay eight quarterly distributions on the Series B Units, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of the Trust properly applicable to the payment of distributions. In the event of such non-payment, and for only so long as any such distributions remain in arrears, the holders of the Series B Units will be entitled to receive notice of and to attend each meeting of unitholders of the Trust (other than any meetings at which only holders of another specified class or series are entitled to vote) and such holders of Series B Units shall have the right, at any such meeting, to one vote for each Series B Unit held.

No other voting rights shall attach to the Series B Units in any circumstances. Upon payment of the entire amount of all distributions on the Series B Units in arrears, the voting rights of the holders of the Series B Units shall forthwith cease (unless and until the same default shall again arise under the foregoing provisions).

Tax Matters

The Trust's income and net taxable gains for the purposes of the Tax Act will be allocated to the holders of Units and Preferred Units in the same proportion as the distributions received by such holders.

PRINCIPAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Goodmans LLP, counsel to the Trust, and Torys LLP, counsel to the Underwriters, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a Preferred Unitholder who acquires Series A Units pursuant to the Offering and who, at all relevant times, for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"), is or is deemed to be resident in Canada, holds the Series A Units acquired pursuant to the Offering and any Series B Units acquired as a result of a reclassification of Series A Units as capital property, deals with the Trust at arm's length and is not affiliated with the Trust and not exempt from tax under Part I of the Tax Act. Generally, the Series A Units and Series B Units will be considered capital property to a Preferred Unitholder provided that the Preferred Unitholder does not hold the Series A Units or Series B Units in the course of carrying on a business and has not acquired them as an adventure or concern in the nature of trade. Certain Preferred Unitholders whose Series A Units or Series B Units might not otherwise qualify as capital property may be entitled to obtain such qualification in certain circumstances by making an irrevocable election permitted by subsection 39(4) of the

Tax Act. Such Preferred Unitholders should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to (i) a Preferred Unitholder that is a partnership a member of which is not resident in Canada for the purposes of the Tax Act, (ii) a Preferred Unitholder that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules), (iii) a Preferred Unitholder that is a “specified financial institution” (as defined in the Tax Act), (iv) a Preferred Unitholder an interest in which is a “tax shelter investment” (as defined in the Tax Act), or (v) a Preferred Unitholder who has elected to have the “functional currency” reporting rules under the Tax Act apply. In addition, this summary does not address the deductibility of interest by a Preferred Unitholder who has borrowed money to acquire Preferred Units.

This summary is based upon the facts set out in this prospectus supplement, the current provisions of the Tax Act and the regulations under the Tax Act (“**Regulations**”) in force at the date of this prospectus supplement, all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and counsel’s understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency (“**CRA**”) and a certificate of the Trust as to certain factual matters. There can be no assurance that the proposed amendments will be implemented in their current form or at all. Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes of law or practice, whether by judicial, governmental or legislative decision or action, or changes in the administrative policies or assessment practices of the CRA, nor does it take into account provincial, territorial or foreign tax legislation or considerations which may differ significantly from those discussed in this prospectus supplement.

Certain of the considerations in this summary are based on an advance tax ruling received by the Trust from CRA dated October 1, 2010.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Preferred Unitholder, and no representations with respect to the income tax consequences to any particular Preferred Unitholder are made. Accordingly, prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of Series A Units and/or Series B Units, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

This summary does not address any Canadian federal income tax considerations applicable to non-residents of Canada, and non-residents should consult their own tax advisors regarding the tax consequences of acquiring and holding Series A Units or Series B Units. All payments to non-residents of Canada of distributions on the Series A Units or Series B Units will be net of any applicable withholding taxes.

Status of the Fund

This summary is based on the assumption that the Trust qualifies at all relevant times as a “mutual fund trust” as defined in the Tax Act. The Trust has advised counsel that the Trust is and expects to continue to so qualify. If the Trust were not to qualify as a “mutual fund trust”, the income tax considerations described below would, in some respects, be materially different.

Taxation of the Trust

The taxation year of the Trust is the calendar year. In each taxation year, the Trust will be subject to tax under the Tax Act on its income for tax purposes for the year, including any recapture of capital cost allowance and any net realized taxable capital gains, less the portion thereof that it deducts in respect of the amounts paid or payable in the year to holders of Preferred Units or Units (“collectively, “**Unitholders**”), subject to the SIFT Rules (as described and defined below). An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to such Unitholder in the year by the Trust or if the Unitholder is entitled in that year to enforce payment of the amount.

In general, it is expected that all of the Trust’s income for tax purposes will be paid or payable to Unitholders in

the year. The Trust will deduct, for tax purposes, such portion of the amount paid or payable, or deemed to be paid or payable, to Preferred Unitholders and Unitholders in the year so that the Trust will generally not be liable for income tax in any year, subject to the SIFT Rules.

Losses incurred by the Trust cannot be allocated to Unitholders but may be deducted by the Trust in accordance with the Tax Act.

SIFT Rules and REIT Exception

Pursuant to recent amendments to the Tax Act, the taxation regime applicable to specified investment flow-through trusts or partnerships (“**SIFTS**”) and investors in SIFTS has been altered. If the Trust were to become subject to these new rules (the “**SIFT Rules**”), the Trust would generally be taxed in a manner similar to corporations on income from business carried on in Canada by the Trust and on income (other than taxable dividends) or capital gains from “non-portfolio properties” (as defined in the Tax Act), at a combined federal/provincial tax rate similar to that of a corporation. Allocations or distributions of income and capital gains that are subject to the SIFT Rules will be taxed as a dividend from a taxable Canadian corporation in the hands of the beneficiaries or partners of the SIFT. Under the SIFT Rules, such dividends will be “eligible dividends” (as defined in the Tax Act) and a Canadian resident individual should therefore benefit from an enhanced gross-up and dividend tax credit available under the Tax Act. In general, distributions paid as returns of capital will not be subject to the SIFT Rules.

The Trust will not be considered to be a SIFT trust in respect of a particular taxation year and, accordingly, will not be subject to the SIFT Rules in that year, if it qualifies as a “real estate investment trust” for the year (the “**REIT Exception**”). The REIT Exception to the SIFT Rules is comprised of a number of technical tests and the determination as to whether the Trust qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of that taxation year. On December 6, 2010, RioCan announced that it had completed the necessary restructuring to qualify for the REIT Exception commencing for the 2011 taxation year. In addition, management has further advised counsel that its current intention is to qualify for the REIT Exception at all future times. However, there can be no assurance that subsequent investments or activities undertaken by the Trust will not result in the Trust failing to qualify for the REIT Exception. If the Trust is subject to the SIFT Rules, certain income tax considerations would, in some respects, be materially and adversely different, and the SIFT Rules may, depending on the nature of distributions from the Trust, including what portion of its distributions are income and what portion are returns of capital, have a material adverse effect on the after-tax returns of certain Unitholders.

On December 16, 2010, the Department of Finance announced proposed amendments to the REIT Exception, proposed to be effective as of January 1, 2011. RioCan has advised that it expects to be able to qualify for the REIT Exception under these proposed rules.

Taxation of Preferred Unitholders

A Preferred Unitholder is required to include in computing his or her income for tax purposes in each year the amount of income and net taxable capital gains, if any, paid or payable, or deemed to be paid or payable, to the Preferred Unitholder in the year by the Trust to the extent that the Trust deducts such amount in computing its income for tax purposes. The Trust’s income and net taxable gains for the purposes of the Tax Act will be allocated to the holders of Units and Preferred Units in the same proportion as the distributions received by such holders.

The amount of the non-taxable portion of any net realized capital gains of the Trust that is paid or payable to a Preferred Unitholder in a taxation year will not be included in computing the Preferred Unitholder’s income for the year. The Preferred Unitholder will not be required to reduce the adjusted cost base of the Preferred Unitholder’s Series A or Series B Units by such an amount.

Any other amount in excess of the income for tax purposes of the Trust that is paid or payable to a Preferred Unitholder in that year generally will not be included in the Preferred Unitholder’s income for the year. However, where such an amount is paid or payable to a Preferred Unitholder, the Preferred Unitholder will be required to reduce the

adjusted cost base of the Preferred Unitholder's Series A or Series B Units, as the case may be, by that amount. To the extent that the adjusted cost base of a Series A or Series B Unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Series A or Series B Unit to the Preferred Unitholder will then be nil. The taxation of capital gains is described below (see "Capital Gains and Capital Losses").

Disposition and Reclassification of Units

In general, a disposition or deemed disposition of a Series A or Series B Unit will give rise to a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Series A or Series B Unit, as the case may be, to the Preferred Unitholder. The CRA has expressed the preliminary view that the reclassification of a Series A Unit as a Series B Unit (or of a Series B Unit as a Series A Unit) will likely result in a taxable disposition at that time. In such circumstances, a Preferred Unitholder will generally be considered to have disposed of the reclassified Preferred Units for proceeds of disposition equal to the fair market value of the Preferred Units which such units are reclassified as.

The adjusted cost base of a Series A or Series B Unit to a Preferred Unitholder will include all amounts paid or payable by the Preferred Unitholder for the Series A or Series B Unit, with certain adjustments. For the purpose of determining the adjusted cost base to a Preferred Unitholder of Series A or Series B Units, when a Series A or Series B Unit is acquired, the cost of the newly-acquired Series A or Series B Unit will be averaged with the adjusted cost base of all of the Series A or Series B Units owned by the Preferred Unitholder at that time as capital property immediately before that acquisition.

Capital Gains and Capital Losses

One-half of the amount of any capital gain (a "taxable capital gain") realized by a Preferred Unitholder in a taxation year generally must be included in the Preferred Unitholder's income for that year, and one-half of the amount of any capital loss (an "allowable capital loss") realized by a Preferred Unitholder in a taxation year must generally be deducted from taxable capital gains realized by the Preferred Unitholder in that year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances provided in the Tax Act.

A Preferred Unitholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on certain investment income, including taxable capital gains.

Alternative Minimum Tax

In general terms, income for tax purposes of the Trust paid or payable to a Preferred Unitholder who is an individual or a certain type of trust that is designated as net realized capital gains and capital gains realized on the disposition of Series A or Series B Units may increase the Preferred Unitholder's liability for alternative minimum tax.

RISK FACTORS

Prospective investors in a particular offering of the Series A Units and holders of Series A Units that elect to reclassify Series A Units as Series B Units should carefully consider, in addition to the information contained in this prospectus supplement, the Prospectus and the information incorporated by reference therein, the risks described in the section entitled "Risk Factors" beginning at page 93 of RioCan's current annual information form and the section entitled "Risks and Uncertainties" beginning at page 64 of the Interim Financial Report, which are incorporated by reference in the Prospectus as at the date hereof and relate to a distribution of Units. References in such risk factors to Unitholders may include holders of Preferred Units and therefore may be applicable to the distribution of Preferred Units contemplated and referred to herein.

In addition to the foregoing, no assurance can be given that Canadian federal income tax law respecting the taxation of income trusts and other flow-through entities will not be further changed in a manner that adversely affects the Trust and its Preferred Unitholders.

Based on a review of its assets and revenues, management has advised counsel that it is expected that the Trust will satisfy the tests to qualify for the REIT Exception for 2011. In addition, management has further advised counsel that its current intention is to qualify for the REIT Exception at all future times. On December 16, 2010, the Department of Finance announced proposed amendments to the REIT Exception, proposed to be effective as of January 1, 2011. RioCan has advised that it expects to be able to qualify for the REIT Exception under these proposed rules. However, there can be no assurance that subsequent investments or activities undertaken by the Trust will not result in the Trust failing to qualify for the REIT Exception and being subject to the SIFT Rules. If the Trust is subject to the SIFT Rules, certain of the income tax considerations described above would, in some respects, be materially and adversely different.

While the net proceeds of the Offering are expected to enhance RioCan's liquidity, to the extent that a portion of the net proceeds of the Offering remains as cash, or is used to pay down indebtedness with a low interest rate, the Offering is expected to result in dilution, on a per Unit basis, to RioCan's net income and other measures used by RioCan.

Risk Factors Specific to the Series A Units and Series B Units

Prevailing yields on similar securities will affect the market value of the Series A Units and Series B Units. Assuming all other factors remain unchanged, the market value of the Series A Units and Series B Units would be expected to decline as prevailing yields for similar securities rise and would be expected to increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield, T-Bill Rate and comparable benchmark rates of interests for similar securities will also affect the market value of the Series A Units and Series B Units in an analogous manner.

Neither the Series A Units nor the Series B Units have a fixed maturity date and are not redeemable at the option of the holder thereof. The ability of a holder to liquidate its holdings of Series A Units or Series B Units, as applicable, may be limited.

There can be no assurance that an active trading market will develop for the Series A Units after the Offering or for the Series B Units following the reclassification of any Series A Units as Series B Units, or if developed, that such a market will be sustained at the Offering Price.

The Trust may choose to redeem the Series A Units and the Series B Units from time to time, in accordance with the rights described under "Details of the Offering – Description of the Series A Units – Redemption" and "Details of the Offering – Description of the Series B Units – Redemption", including when prevailing interest rates are lower than the yield borne by the Series A Units and the Series B Units, respectively. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yield on the Series A Units or Series B Units being redeemed. The Trust's redemption right also may adversely impact a purchaser's ability to sell Series A Units or Series B Units as the optional redemption date or period approaches.

The distribution rate in respect of the Series A Units will reset on March 31, 2016 and every five years thereafter. The distribution rate in respect of the Series B Units will reset quarterly. In each case, the new distribution rate is unlikely to be the same as, and may be lower than, the distribution rate for the applicable preceding distribution period.

Investments in the Series B Units, given their floating interest component, entail risks not associated with investments in the Series A Units. The resetting of the applicable rate on a Series B Unit may result in a lower yield compared to fixed rate Series A Units. The applicable rate on a Series B Unit will fluctuate in accordance with fluctuations in the T-Bill Rate on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which the Trust has no control.

An investment in the Series A Units, or in the Series B Units, as the case may be, may become an investment in Series B Units, or in Series A Units, respectively, without the consent of the holder in the event of an automatic reclassification in the circumstances described under “Details of the Offering – Description of the Series A Units – Reclassification of Series A Units as Series B Units” and “Details of the Offering – Description of the Series B Units – Reclassification of Series B Units as Series A Units”. Upon the automatic reclassification of the Series A Units as Series B Units, the distribution rate on the Series B Units will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate which may vary from time to time while, upon the automatic reclassification of the Series B Units as Series A Units, the distribution rate on the Series A Units will be, for each five-year period, a fixed rate that is determined by reference to the Government of Canada Yield on the 30th day prior to the first day of each such five-year period. In addition, holders may be prevented from reclassifying their Series A Units as Series B Units, and vice versa, in certain circumstances. See “Details of the Offering – Description of the Series A Units – Reclassification of Series A Units as Series B Units” and “Details of the Offering – Description of the Series B Units – Reclassification of Series B Units as Series A Units”.

The Canadian federal income tax considerations that may arise in connection with the acquisition, holding, disposition or reclassification of Preferred Units are, in some respects, materially different from the acquisition, holding, disposition or exchange of preferred shares of a corporation. See “Principal Canadian Federal Income Tax Considerations” for a summary of the principal Canadian federal income tax considerations generally applicable to a Preferred Unitholder. In particular, the CRA has expressed the preliminary view that the reclassification of a Series A Unit as a Series B Unit (or a Series B Unit as a Series A Unit) will likely result in a taxable disposition at that time. A disposition or deemed disposition of a Series A or Series B Unit will give rise to a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Series A or Series B Unit, as the case may be, to the Preferred Unitholder. The adjusted cost base of a Series A Unit or Series B Unit to a Preferred Unitholder will be reduced by any amount, if any, in excess of the income for tax purposes of the Trust that is paid or payable to the holder thereof on such Preferred Unit. It is currently anticipated that a portion of the distributions paid by the Trust in a given year will consist of such amounts.

ELIGIBILITY FOR INVESTMENT

In the opinion of Goodmans LLP, counsel to the Trust, and of Torys LLP, counsel to the Underwriters, provided that (i) the Trust qualifies as a “mutual fund trust”, as defined in the Tax Act, or (ii) the Series A Units and Series B Units are listed on the TSX (or another designated stock exchange), the Series A Units and Series B Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act.

Notwithstanding the foregoing, the holder of a tax-free savings account will be subject to a penalty tax on the Series A Units or Series B Units if such units are a “prohibited investment” for the tax-free savings account. Series A Units and Series B Units will generally be a “prohibited investment” if the holder of a tax-free savings account does not deal at arm’s length with the Trust for purposes of the Tax Act or the holder of the tax-free savings account has a “significant interest” (within the meaning of the Tax Act) in the Trust or a corporation, partnership or trust with which the Trust does not deal at arm’s length for purposes of the Tax Act. Holders are asked to consult their own tax advisors in this regard.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Series A Units and Series B Units is CIBC Mellon Trust Company at its principal offices in Toronto, Ontario.

LEGAL MATTERS

Certain legal matters relating to the distribution of the Series A Units offered by this prospectus supplement, together with the Prospectus, will be passed upon at the Closing Date on behalf of RioCan by Goodmans LLP and on behalf of the Underwriters by Torys LLP. As of January 18, 2011, the partners and associates of Goodmans LLP and Torys LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of RioCan. Dale H. Lastman, a partner of Goodmans LLP, is a member of the Board of Trustees of RioCan.

AUDITORS

RioCan's auditors for the fiscal year ended December 31, 2009 and 2010 were Ernst & Young LLP, Chartered Accountants, 222 Bay Street, Toronto, Ontario, M5K 1J7. Ernst & Young LLP is independent of RioCan in accordance with the rules of professional conduct of the Institute of Chartered Accountants of Ontario.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the Provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the amended and restated base shelf short form prospectus of RioCan Real Estate Investment Trust (the "**REIT**") dated December 21, 2010 and the prospectus supplement of the REIT dated January 19, 2011 relating to the issuance of preferred units of the REIT. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus supplement of our report to the unitholders of the REIT on the consolidated balance sheets of the REIT as at December 31, 2009 and 2008, and the consolidated statements of unitholders' equity, earnings and comprehensive income and cash flows for the years then ended. Our report is dated February 5, 2010.

Toronto, Canada
January 19, 2011

(SIGNED) ERNST & YOUNG LLP
Chartered Accountants
Licensed Public Accountants

UNDERWRITERS' CERTIFICATE

January 19, 2011

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

RBC DOMINION SECURITIES INC.

BY: (SIGNED) WILLIAM WONG

MACQUARIE CAPITAL MARKETS
CANADA LTD.

BY: (SIGNED) JOHN BARTKIW

SCOTIA CAPITAL INC.

BY: (SIGNED) STEPHEN SENDER

BMO NESBITT BURNS INC.

BY: (SIGNED) DEREK DERMOTT

CIBC WORLD MARKETS INC.

BY: (SIGNED) PAUL FARRELL

TD SECURITIES INC.

BY: (SIGNED) ARMEN FARIAN

NATIONAL BANK FINANCIAL INC.

BY: (SIGNED) CRAIG J. SHANNON

CANACCORD GENUITY CORP.

BY: (SIGNED) MARK EDWARDS

DESJARDINS SECURITIES INC.

BY: (SIGNED) DENNIS LOGAN

RAYMOND JAMES LTD.

BY: (SIGNED) J. GRAHAM FELL

CERTIFICATE

January 19, 2011

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

BY: (SIGNED) EDWARD SONSHINE, Q.C.
President and Chief Executive Officer

BY: (SIGNED) RAGHUNATH DAVLOOR
Senior Vice President and Chief Financial Officer

On behalf of the Trustees

BY: (SIGNED) DALE LASTMAN
Trustee

BY: (SIGNED) PAUL GODFREY
Trustee