

RIOCAN REIT  
ANNUAL SHAREHOLDERS MEETING

*June 5, 2013*

**SPEECH – PAUL V. GODFREY – CHAIRMAN**

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Ladies and gentlemen – welcome to the 20<sup>th</sup> Annual and Special Meeting of the unit-holders of RioCan Real Estate Investment Trust.

Twenty years. It's a nice round number. But what a tremendous amount of growth and change it represents.

On November 29, 1993 Unitholders approved a restructuring to convert from a real estate mutual fund to a “closed-end” trust. As part of the restructuring RioCan obtained a listing on the Toronto Stock Exchange and completed our Initial Public Offering of RioCan units – which took place January, 1994. Jean Chretien was Prime Minister, Bill Clinton was President of the United States. And the Premier of Ontario was the New Democratic Party

Leader, Bob Rae. To many people in the investment community, these did not seem like auspicious times.

But in 1994, it became clear to Ed Sonshine, and to the people he discussed things with, that RioCan's time had come. Had he been an astrologer, Ed might have studied the arrangements of the constellations in the sky. Instead he was a real estate lawyer – a well-known and highly regarded one – so he studied the arrangement of things down here on the ground. And by 1994, Ed was convinced that the legal, industrial and financial environments had come into a kind of alignment – one that made the growth potential of a carefully managed real estate investment trust a very rich prospect indeed.

It wasn't astrology, but it was certainly visionary. The real estate investment trust, or REIT, was a novelty at the time, and investors don't always trust novelty. But they did trust Ed. They trusted his know-how, his intimate knowledge of the real estate market and the law, and they trusted his arguments. Ed can be very convincing when he wants to be! So, after a fifteen year apprenticeship with

Fogler Rubinoff, during which this new enterprise proved its remarkable potential, in 1994 RioCan was ready for prime time.

Now I don't know how many of you are old enough to remember the 1990s. They were go-go times, especially in the financial world. The bond markets were booming. Tech stocks were booming. Dot-coms were booming. An IPO in many cases seemed like a license to print money. Companies that had never made a profit were hosting successful IPOs, and selling large chunks of pure smoke to eager investors. As you can imagine, a lot of this enthusiasm ended badly.

RioCan – although it presented a very interesting opportunity, given Canada's tax laws at the time – was still a real estate company, and real estate in the 1990s had not yet become “sexy”. Lucky for us! Ed Sonshine's brilliant vision combined a highly innovative investment vehicle – in the form of the REIT – with a solid, mature, familiar industry, in the form of real estate. There could be no smoke, no dazzle, no fancy footwork in a real estate

investment trust! RioCan held out the promise of stable, steady, long-term growth, and it attracted investors who appreciate the value of a strong clear strategy and disciplined management. Those are the kind of investors it continues to attract today – and many of those original investors are still with us today, 20 years on.

Since then, much has changed. We began with a portfolio of twelve properties totaling less than one million square feet at our interest. Today we own more than 340 with more than 54 million square feet at our interest. Our original properties were focused in central Ontario with two properties in Alberta and two office properties in BC.. In fact, we still own a couple of them! Today, our holdings span this country from coast to coast, and include 50 properties in the United States, concentrated in Texas and the Northeast.

SHOW SLIDE OF MAP OF PROPERTIES –  
CAN WE GO FROM ORIGINAL HOLDINGS TO  
TODAY’S?

The value of that portfolio has also gone through some remarkable changes – our total assets at Dec. 31 1993 was just over \$100 million that generated \$12.7 million of rental revenue in 1993, to total assets of approximately 12.7 billion dollars and an annualized rental revenue stream of more than \$1.1 billion. That’s definitely a change for the better!

#### SHOW SLIDE OF HISTORICAL VALUE

It’s truly an amazing record. The real estate market, and indeed the world economy, has gone through some sudden and massive ups and downs over the past 20 years, and RioCan has by no means been immune to these upheavals. But Ed Sonshine’s principles of active, disciplined management, and steady, dependable growth, has kept the RioCan ship sailing forward through all these storms. RioCan’s success represents an average compounded annual growth rate of more than 16%. Year after year. For 20 years.

I mentioned that some of our original investors are still invested with us today, 20 years on. They can

assure you they had good reason to do so. In fact, an investment of only \$1,000 in our IPO, back in 1994, would today be worth more than \$18,000 today.

It's been a good 20 years. Troubles have come and gone, as troubles do. But principles, integrity, discipline – these don't change. And when we hold fast to these solid rocks, we can weather any storm. RioCan is a living testimony to the truth of that “Life Lesson” – and Ed Sonshine is the man whose life and leadership teaches it so clearly.

Life, of course, continues to move forward. And in the past year, we at RioCan have seen some passages on our Board of Directors, which I'd like to mention here.

The saddest one is the passing of Ron Osborne.

#### PICTURE OF RON OSBORNE

Former CEO of Maclean Hunter, Ron was a highly sought-after corporate director. Organizations as different from one another as Tim Horton's, Ontario Power Generation, the Royal Bank and the Four Seasons Hotels, all benefited from his brilliant insights, his incredible eye

for detail, his fearless and honest sense of duty. Probably no other Canadian business leader held as many important posts in as many important companies as Ron Osborne. We at RioCan, and the Canadian business community, are the poorer for his loss.

Another loss to the Board, but under much happier circumstances, is the retirement of Frank King.

#### PICTURE OF FRANK KING

Frank has been a Director of numerous companies, thanks to the high regard in which he's been held throughout the Canadian business community. He is also a distinguished executive – serving as president, CEO or chairman of a variety of successful Canadian companies, including Metropolitan Investment Corporation, and his own private capital investment and management services company. He was co-chair of Canada 125. And from 1981 to 1988 he was Chairman and CEO of the 15<sup>th</sup> Olympic Winter Games, for which service he was honoured with the Olympic Order in Gold, to add to his many other honours! We at RioCan will miss his insights and influence in

Western Canada. But for his constant enthusiasm we would be unlikely to have the dominant footprint we enjoy in the Alberta market. But his retirement is certainly a well deserved one – and we wish him all the very best.

Our most happy news is the appointment of our new Director, a woman of great accomplishments and enormous talent, whom we were very anxious to get on board – Bonnie Brooks.

#### PICTURE OF BONNIE BROOKS

Bonnie, as I'm sure most of you will know, is President of Hudson's Bay Company as well as Lord & Taylor. She is one of the stars of the Canadian business scene – savvy and extremely effective. She has taken a piece of Canada's business heritage – Hudson Bay Company – and remade it for the 21<sup>st</sup> century, growing stronger sales and re-building a major brand, virtually from the ground up. She brings a tremendous degree of experience and a global retail perspective. We are very fortunate to have her on our team, and she will certainly

make significant contributions for the benefit of RioCan  
and you, our unitholders.

Thank you!