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## Melcor Developments announces \$138 million sale to Melcor REIT & increases REIT ownership to 56.5%

Edmonton, Alberta | November 12, 2014

Melcor Developments Ltd. (TSX: MRD), an Alberta-based real estate development and asset management company, today reported that it has agreed to sell a portfolio of six commercial properties comprised of 738,080 sq. ft. gross leasable area (GLA) to Melcor Real Estate Investment Trust for \$138.25 million (excluding transaction costs).

Brian Baker, Melcor’s President and Chief Executive Officer, commented on the sale: “The relationship between Melcor and Melcor REIT is a powerful business model that drives the growth of both companies. The REIT grows through access to our development pipeline, and by extension fuels our continued growth by monetizing the value of built properties so that we can continue to invest in new projects and raw land. We are pleased with the process which is assessed by our independent directors and trustees to ensure fair and objective agreement.”

The acquisition includes four new commercial properties completed and substantially leased by Melcor Developments and two properties improved through recent redevelopment.

Property	Type	Location	Site Size (acres)	GLA (sq. ft.)	Occupancy
Lethbridge Centre	Mixed-use office/retail	Lethbridge	10.61	446,272	90%
Telford Industrial	Industrial	Leduc	8.35	88,699	100%
Leduc Common Phase Four	Retail	Leduc	6.57	69,605	90%
Village at Blackmud Creek Phase One	Mixed-use office/retail	Edmonton	4.05	57,364	89%
University Park	Retail strip centre	Regina	3.41	41,238	100%
West Henday Promenade	Retail	Edmonton	3.68	34,902	96%

Under the asset and portfolio management agreements, Melcor will continue to manage these properties.

Melcor will also subscribe for \$45 million of Class B LP Units at \$10.25 per unit (a 1.5% premium to the \$10.10 close price on November 11, 2014, thereby increasing its effective ownership in the REIT from 47.6 to 56.5%.

### About Melcor Developments Ltd.

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

Through integrated operating divisions, Melcor manages the full life cycle of real estate development: acquiring raw land, community planning, construction and development, and managing revenue-producing office, retail and residential assets. Melcor develops and manages mixed-use residential communities, business and industrial parks, office buildings, retail commercial centres and golf courses.

Melcor is committed to building communities that enrich quality of life – communities where people live, work, shop and play.

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

### Forward Looking Statements

In order to provide our investors with an understanding of our current results and future prospects, our public communications often include written or verbal forward-looking statements.

Forward-looking statements are disclosures regarding possible events, conditions, or results of operations that are based on assumptions about future economic conditions, courses of action and include future-oriented financial information.

This news release and other materials filed with the Canadian securities regulators contain statements that are forward-looking. These statements represent Melcor's intentions, plans, expectations, and beliefs and are based on our experience and our assessment of historical and future trends, and the application of key assumptions relating to future events and circumstances. Future-looking statements may involve, but are not limited to, comments with respect to our strategic initiatives for 2014 and beyond, future development plans and objectives, targets, expectations of the real estate, financing and economic environments, our financial condition or the results of or outlook of our operations.

By their nature, forward-looking statements require assumptions and involve risks and uncertainties related to the business and general economic environment, many beyond our control. There is significant risk that the predictions, forecasts, valuations, conclusions or projections we make will not prove to be accurate and that our actual results will be materially different from targets, expectations, estimates or intentions expressed in forward-looking statements. We caution readers of this document not to place undue reliance on forward-looking statements. Assumptions about the performance of the Canadian and US economies and how this performance will affect Melcor's business are material factors we consider in determining our forward-looking statements. For additional information regarding material risks and assumptions, please see the discussion under Business Environment and Risk in our annual MD&A.

Readers should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Except as may be required by law, we do not undertake to update any forward-looking statement, whether written or oral, made by the company or on its behalf.

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