

2011 Annual General Meeting

April 19, 2011

AGM Agenda

1 - Formal Business of the Meeting

- Call to Order
- Presentation of Financial Statements
- Election of Directors
- Appointment of Auditors

2 - Management Presentation

3 - Q&A Session

Presentation Agenda

2010: Year in Review

2011: Looking Ahead

Divisional Update

- Community Development
- Property Development
- Investment Properties
- Corporate Finance

Forward Looking Statements

This presentation contains statements that are forward-looking. These statements represent Melcor's intentions, plans, expectations, and beliefs and are based on our experience and 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 2011 and beyond, future development plans and objectives, targets, expectations of the real estate, financing and economic environments, Melcor's financial condition or the results of or outlook of operations.

By their nature, forward-looking statements require assumptions and involve risks and uncertainties related to the business and general economic environment, many beyond the management's control. There is significant risk that the predictions, forecasts, valuations, conclusions or projections we make will not prove to be accurate and that Melcor's actual results will be materially different from targets, expectations, estimates or intentions expressed in forward-looking statements. Management cautions the readers of this presentation not to place undue reliance on its forward-looking statements. Assumptions about the performance of the Canadian and US economies and how this performance will affect the business are material factors we consider in determining our forward-looking statements. For additional information regarding material risks and assumptions, please see the discussions under the "Risk Factors" sections contained throughout Melcor's 2010 Annual Report.

Investors and others 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, Melcor does not undertake to update any forward-looking statement whether written or oral, that may be made by Melcor or on its behalf.

2010: Year in Review

- **Returning** key financial performance measures to 5-year averages
- Maintaining and building **corporate growth** and **diversification**
- Maintaining **strong** corporate management and governance

2010: Year in Review

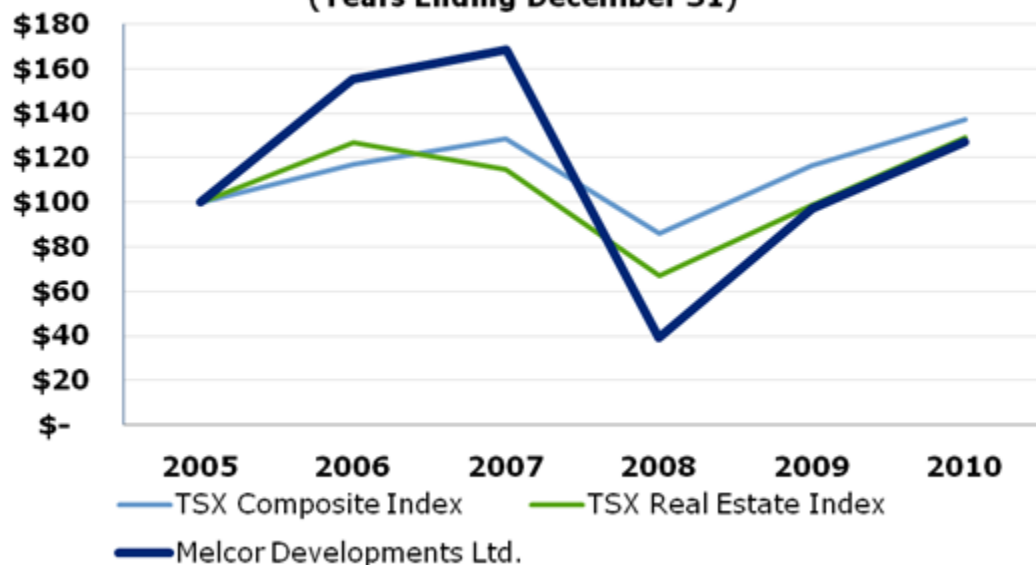


2010: Year in Review

**Shareholders
JV Partners
Lenders**

- Share appreciation
- Dividends of \$0.35 per share paid
- Continuing positive returns on equity
- Met all borrowing commitments and covenants

Melcor Share Performance
(Years Ending December 31)



\$100 invested
in MRD on
December 31,
2005 is \$127
on December
31, 2010

2010: Year in Review

Customers & Suppliers

- **Delivering communities**

- 1,163 residential lots sold
- 30 acres of multi-family parcels sold

- **Planning for the future**

- Acquired 653 acres of land inventory

- **Building capacity**

- Property Development Division completed 65,800 sq. ft. of leased commercial space

- **Growing portfolio**

- Over 2,000,000 sq. ft.
- 88% occupancy rate
- Geographic diversification

2010: Year in Review

Employees

- **Attract and developing talent**
 - 86 full time employees at December 31, 2010.
 - 18 new employees hired in 2010.
- **Leading with experience**
 - 8 employees with over 25 years of service to Melcor.



2010: Year in Review

Community

- **Staying involved in our communities**
 - Over \$400,000 in support for local charities and initiatives.
 - 2010 Platinum Award from The United Way.
- **Invested with our youth**
 - \$3,000,000 endowment for the Stanley Melton Chair in Real Estate at the University of Alberta School of Business.

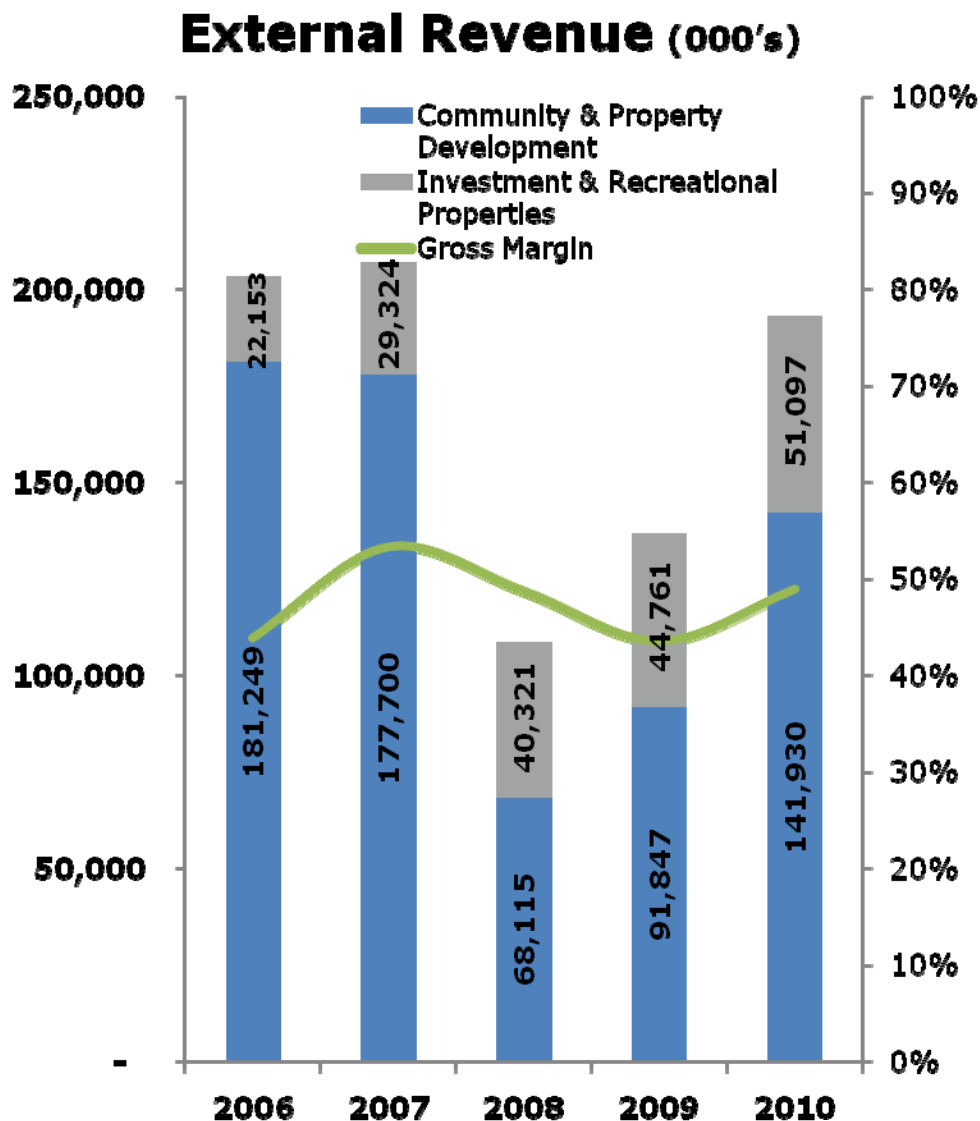


United Way
of Canada



Centraide
Canada

2010: Key Financial Results



Total Revenue (000s)

2010	\$193,027
2009	\$136,608
2008	\$108,436
2007	\$207,024
2006	\$203,402

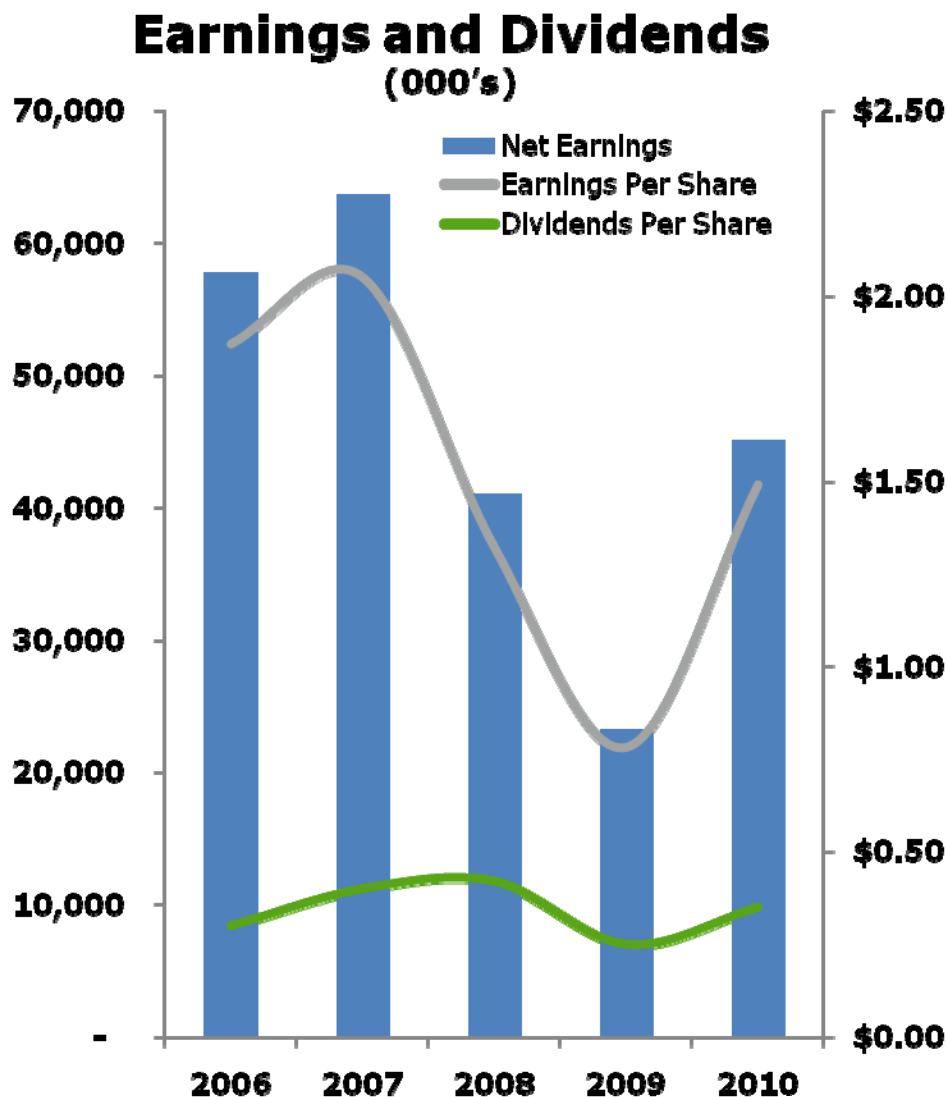
2010 Highlights

Strong revenue in fourth quarter of \$85,253.

Investment Property Division continues growth trend.

Gross margins recover to 2008 levels.

2010: Key Financial Results



2010 Highlights

Strong land sales resulting in higher earnings in 2010.

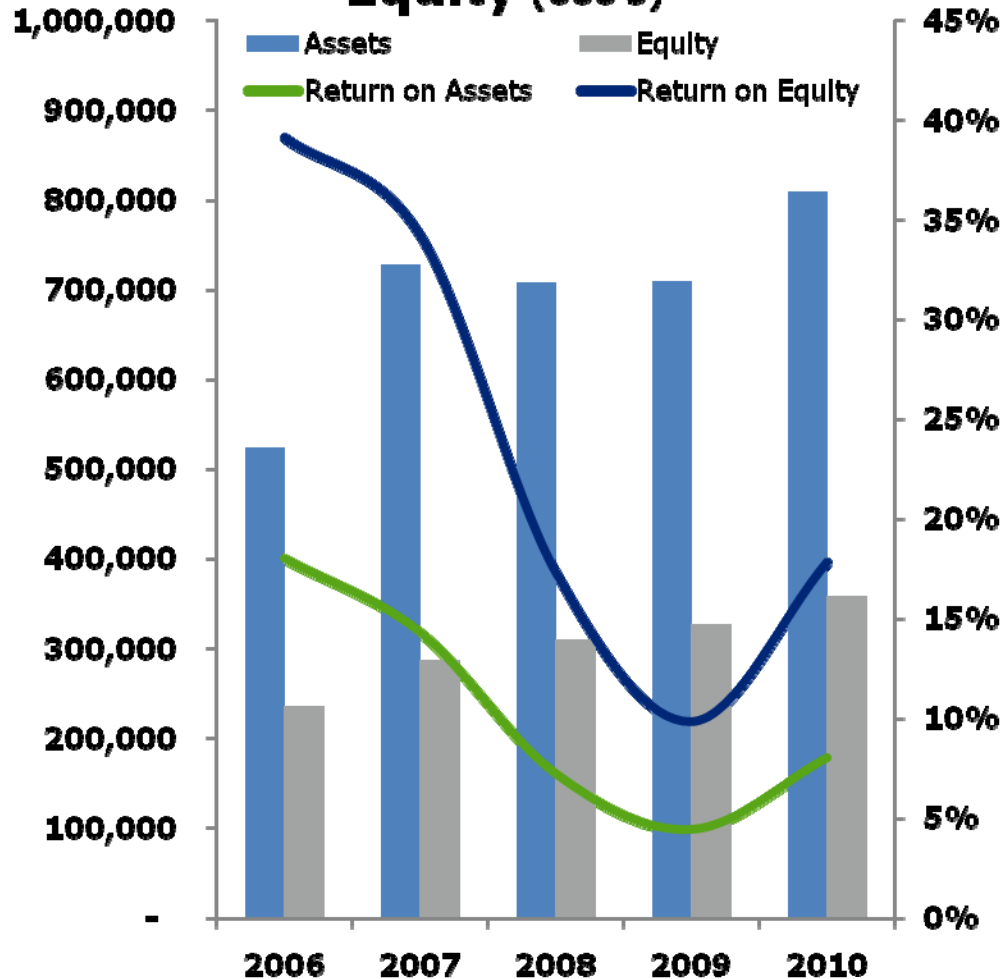
G&A costs in line with expectations.

Dividends paid of \$0.35 per share in 2010.

Aggregate dividends over last 5 years is \$1.72 (average yield of 2.4%).

2010: Key Financial Results

Assets and Shareholders' Equity (000's)



2010 Highlights

- Land and Investment Property acquisition activity increased in 2010.
- Property Development also completed 9 properties in 2010.
- Agreements receivable increased 19.8% resulting from strong land sales in Q4.
- Return on equity recovered on strong results. Equity continues to grow.

2011: Looking Ahead

**Proven business model for
profitability and growth**

Portfolio of high quality assets

Strong and experienced team

Resources to execute strategy

**Market opportunities in Canada
and United States**

Community Development Division

Community Development

Division Mandate

- Acquisition, planning, development and marketing of urban communities.
- Development of large-scale commercial and industrial centres.

Centre of Activities

- | | | |
|------------|--------------|----------------|
| • Edmonton | • Calgary | • Spruce Grove |
| • Red Deer | • Lethbridge | • Leduc |
| • Airdrie | • Regina | • Chestermere |
| • Kelowna | | |

New Project: Cochrane, Alberta

Overview

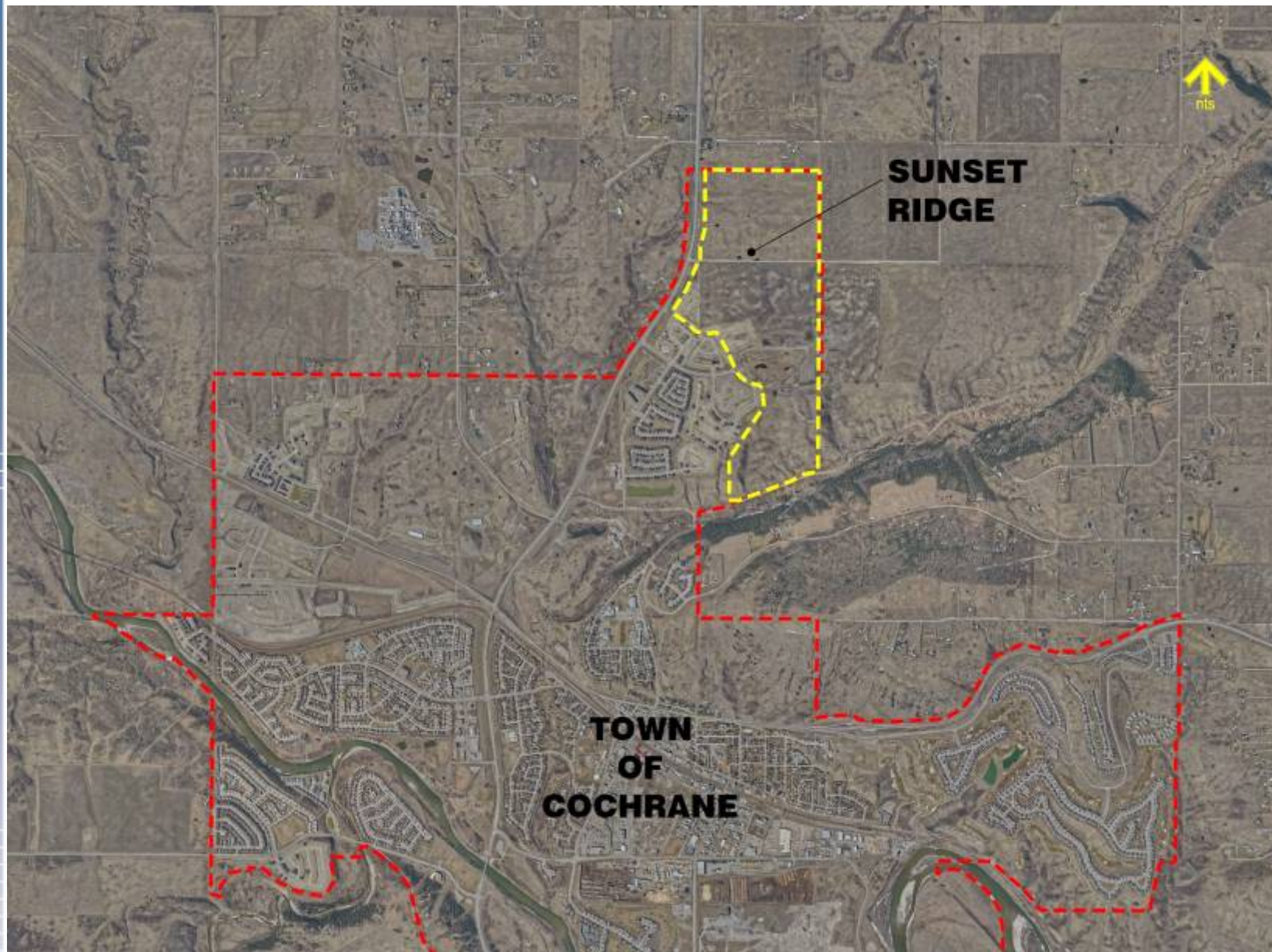
- New community development
- New joint venture
- Key part of long-term strategy in Calgary



Cochrane, Alberta: Project Details

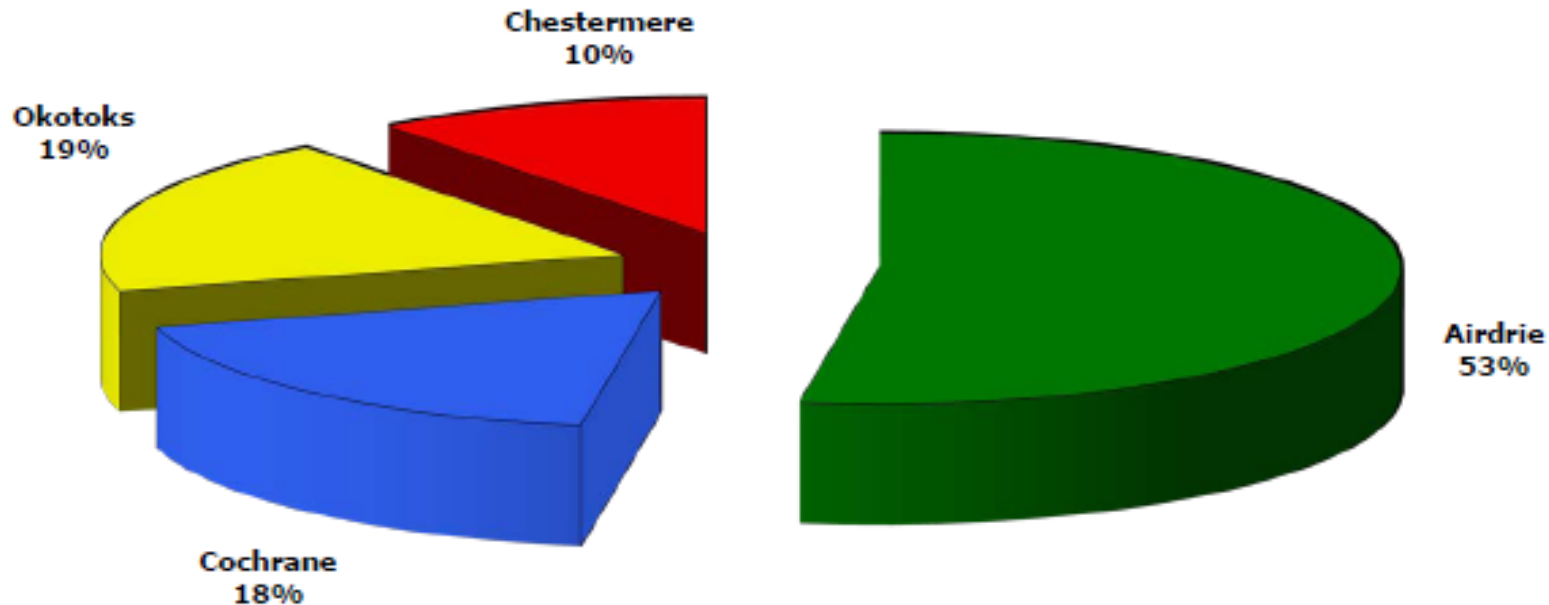
Name	• Sunset Ridge
Purchased Land	• 360 acres
Joint Venture Interest	• 60%
Management	• Melcor Developments Ltd.
Development Timeframe	• 2011 to 2023 (12 years)
First Sales	• 2011 (projected)
Sales Potential	• \$200,000,000 +

Cochrane, Alberta: Site Map



Regional Market Analysis

CALGARY REGIONAL SINGLE FAMILY BUILDING PERMITS 2010



Property Development Division

Property Development

Division Mandate

- Identify, develop and lease high-quality retail, office and industrial revenue-producing properties.
- Create value through asset appreciation, risk diversification of Melcor portfolio, generate long-term income, and high ROE.

Centre of Activities

- | | |
|------------|----------------|
| • Edmonton | • Calgary |
| • Leduc | • Chestermere |
| • Red Deer | • Lethbridge |
| • Airdrie | • Spruce Grove |

Leduc Common



Regional Power Centre

- Leduc, Alberta
- 488,782 sq. ft.
- Value: \$78.2 MM
- NOI: \$5.08 MM/
Annum
- 2004 - 2013

Clearview Market Square

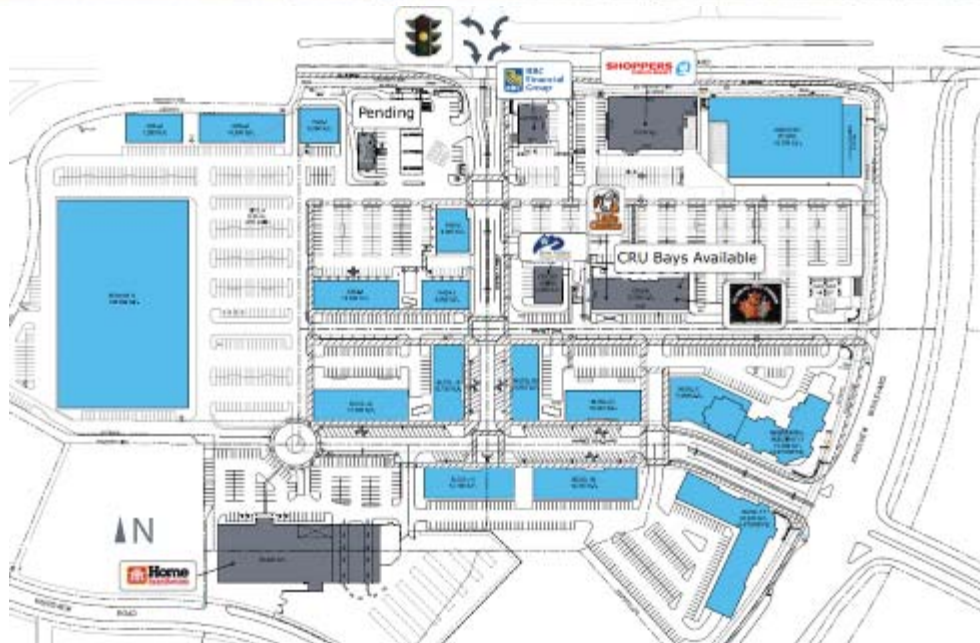


Neighborhood Shopping Centre

- Red Deer, Alberta
- 190,600 sq. ft.
- Est. Value:
\$44.5 MM
- Est. NOI:
\$3.1 MM/
Annum
- 2011 - 2017



Kingsview Market



Regional Power Centre

- Airdrie, Alberta
- 371,965 sq. ft.
- Est. Value:
\$88.5 MM
- Est. NOI:
\$6.2 MM/
Annum
- 2010 - 2016

The District at North Deerfoot



Regional Business/ Industrial Park

- Calgary, Alberta
- 1,106,580 sq. ft.
- Est. Value:
\$300 MM
- Est. NOI:
\$21 MM/
Annum
- 2012 - 2022



Investment Property Division

Investment Properties

Division Mandate

- Acquire, own and manage a portfolio of high-quality residential, office, retail and industrial properties.

Centre of Activities

- Edmonton
- Kelowna
- Lethbridge
- Chestermere
- Spruce Grove
- Phoenix, AZ
- Calgary
- Regina
- Leduc
- Airdrie
- Houston, TX

Portfolio Snapshot

Portfolio Size

- 2,136,040 sq. ft.
- 41 assets

Asset Mix

- Office: 20 projects (55%)
- Retail: 10 projects (40%)
- Industrial: 2 projects (5%)
- Manufactured housing: 308 units
- Multi-family: 429 units
 - Edmonton – 11
 - Houston – 240
 - Phoenix – 154

US Asset Portfolio

- Strategic growth region for Melcor
 - Focus on residential land and investment assets within Houston, TX and Phoenix, AZ markets.
 - Positive cash flow and returns + asset appreciation.
- Over **\$38 million invested** in assets over last 2 years.

Pebble Creek Ranch



Houston, TX

- 240 residential units
- Value: \$21M+
- Long-term hold
- 94% occupied



Dakotas at Camelback



Phoenix, AZ

- 70 residential units
- Value: \$5M+
- Long-term hold
- 96% occupied



Edge at Greyhawk



N. Scottsdale, AZ

- 82 residential units
- Value: \$8.5M+
- Long-term hold
- 86% occupied



Turney Brownstones



Phoenix, AZ

- 11 residential units
- Value: \$2M+
- Complete construction and sale
- Medium term outlook



Tres Rios Community



Avondale, AZ

- 60 serviced residential lots
- Est. value: \$2.4M+
- Market and sale
- Short term outlook



Corporate Finance

Corporate Financing

Division Mandate

- Obtain, manage and utilize financing to meet operational requirements and enhance performance of assets.
- Balance financial risk and manage costs to facilitate growth of business operations.

Overview

Credit Facility

- Operating line of credit
- Letters of credit
 - Secured by current assets

Term Financing

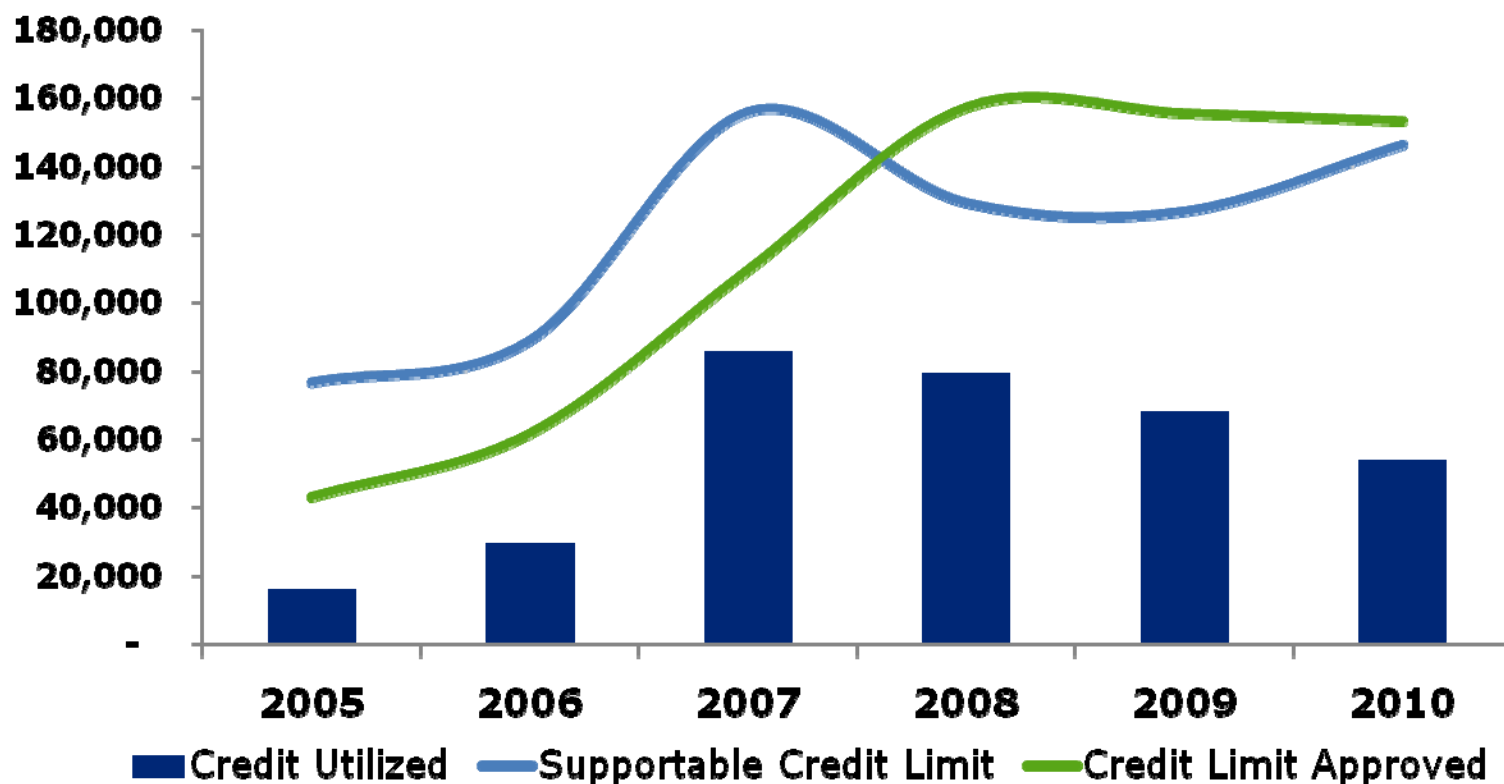
- Conventional mortgage financing
 - Secured by investment properties
- Vendor financing
 - Secured by land assets

Public Markets

- Convertible debenture
 - Secured by corporate warranties

Credit Facility

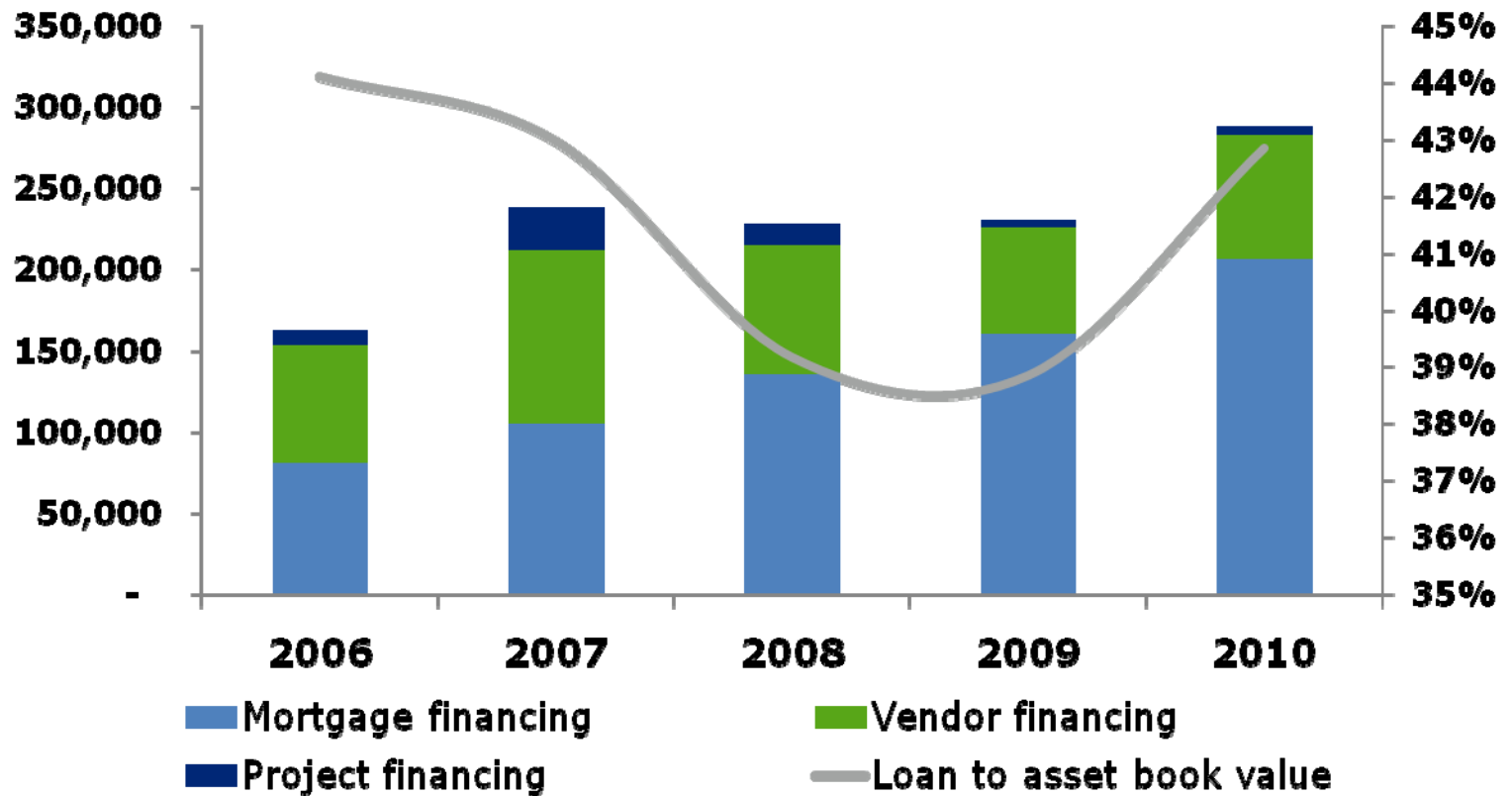
Operating Line of Credit (000s)



Melcor's operating credit facility limit is **\$153 million** at variable interest rates (including MRD's interest in joint ventures).

Mortgage Financing

Land and Investment Property Financing (000s)



Average interest rates in 2010 ranged from 4.25% to 7.53%.

International Financial Reporting Standards (IFRS)

- Results for first quarter of 2011 (planned release in early June 2011) will be in accordance with IFRS including comparative figures for 2010.
- On track with implementation, will impact on certain accounting policies and balance sheet classifications (investment properties, borrowing costs, deferred taxes, property, plant & equipment).

Summary of opening shareholders' equity adjustments:

Balance Sheet Category	Description	Impact on shareholders' equity (000s)
Investment properties	Fair value adjustment	↑ \$203,500
Property, plant and equipment	Impairment of golf course assets	↓ (\$5,700)
Income taxes	Effect of changes to deferred tax liability	↓ (\$39,900)
	TOTAL	↑ \$157,900

Question and Answers

Thank you for attending Melcor's
2010 Annual General Meeting