CBOE EXECUTE SUCCESS℠

CBOE Research Circular #RS13-005

Date: January 3, 2013

To: Permit Holders
From: Scott Speer
RE: Granite Real Estate Inc. ("GRP")
Plan of Arrangement/Mandatory Exchange of Shares
Effective Date: January 4, 2013

Shareholders of Granite Real Estate Inc. ("GRP") voted on November 15, 2012, and approved a proposed Plan of Arrangement. Pursuant to the Plan of Arrangement, each share of Granite Real Estate Inc. ("GRP") Common Stock will be exchanged for one (1) Stapled Unit (each consisting of One Common share of Granite REIT Inc. and a Trust Unit of Granite Real Estate Investment Trust) of Granite Real Estate Inc. ("GRP.U"). **The Plan of Arrangement became effective today, Thursday, January 3, 2013.**

THE FOREGOING IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE PLAN OF ARRANGEMENT, PREPARED BY CBOE FOR THE CONVENIENCE OF ITS PERMIT HOLDERS. CBOE ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. PERMIT HOLDERS SHOULD REFER TO THE NYSE INFONOTICE DATED DECEMBER 21, 2012, FOR THE AUTHORITATIVE DESCRIPTION OF THE PLAN OF ARRANGEMENT AND ALL OF ITS TERMS AND CONDITIONS.

Contract Adjustments

Pursuant to Article VI, Section 11 and 11a, of OCC's By-Laws, all outstanding GRP options shall be adjusted as follows. **On Friday, January 4, 2012, each adjusted Granite Real Estate Inc. contract will require the receipt or delivery of 100 Stapled Units of Granite Real Estate Inc. ("GRP.U").** Premiums for the adjusted Granite Real Estate Inc. options will continue to be calculated on the basis of a multiplier of 100, *i.e.,* for premium and strike-price extensions, 1.00 will equal $100. The Granite Real Estate Inc. option symbol will change to **GRPU**. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

Adjusted Option Symbols

On Friday, January 4, 2013, trading in the GRP option series will be on an adjusted basis. At 8:30 A.M., Chicago time, the following symbol adjustments to the options will be effected:

EXISTING SERIES					ADJUSTED SERIES*			
GRP	17.50	2013-01-19	C/P	=>	GRPU	17.50	2013-01-19	C/P
GRP	20.00	2013-01-19	C/P	=>	GRPU	20.00	2013-01-19	C/P
GRP	22.50	2013-01-19	C/P	=>	GRPU	22.50	2013-01-19	C/P
GRP	25.00	2013-01-19	C/P	=>	GRPU	25.00	2013-01-19	C/P
GRP	30.00	2013-01-19	C/P	=>	GRPU	30.00	2013-01-19	C/P
GRP	35.00	2013-01-19	C/P	=>	GRPU	35.00	2013-01-19	C/P
GRP	40.00	2013-01-19	C/P	=>	GRPU	40.00	2013-01-19	C/P
GRP	45.00	2013-01-19	C/P	=>	GRPU	45.00	2013-01-19	C/P
GRP	50.00	2013-01-19	C/P	=>	GRPU	50.00	2013-01-19	C/P

EXISTING SERIES					ADJUSTED SERIES*			
GRP	20.00	2013-02-16	C/P	=>	GRPU	20.00	2013-02-16	C/P
GRP	22.50	2013-02-16	C/P	=>	GRPU	22.50	2013-02-16	C/P
GRP	25.00	2013-02-16	C/P	=>	GRPU	25.00	2013-02-16	C/P
GRP	30.00	2013-02-16	C/P	=>	GRPU	30.00	2013-02-16	C/P
GRP	35.00	2013-02-16	C/P	=>	GRPU	35.00	2013-02-16	C/P
GRP	40.00	2013-02-16	C/P	=>	GRPU	40.00	2013-02-16	C/P
GRP	45.00	2013-02-16	C/P	=>	GRPU	45.00	2013-02-16	C/P
GRP	50.00	2013-02-16	C/P	=>	GRPU	50.00	2013-02-16	C/P
GRP	55.00	2013-02-16	C/P	=>	GRPU	55.00	2013-02-16	C/P
GRP	20.00	2013-03-16	C/P	=>	GRPU	20.00	2013-03-16	C/P
GRP	22.50	2013-03-16	C/P	=>	GRPU	22.50	2013-03-16	C/P
GRP	25.00	2013-03-16	C/P	=>	GRPU	25.00	2013-03-16	C/P
GRP	30.00	2013-03-16	C/P	=>	GRPU	30.00	2013-03-16	C/P
GRP	35.00	2013-03-16	C/P	=>	GRPU	35.00	2013-03-16	C/P
GRP	40.00	2013-03-16	C/P	=>	GRPU	40.00	2013-03-16	C/P
GRP	45.00	2013-03-16	C/P	=>	GRPU	45.00	2013-03-16	C/P
GRP	50.00	2013-03-16	C/P	=>	GRPU	50.00	2013-03-16	C/P
GRP	20.00	2013-06-22	C/P	=>	GRPU	20.00	2013-06-22	C/P
GRP	22.50	2013-06-22	C/P	=>	GRPU	22.50	2013-06-22	C/P
GRP	25.00	2013-06-22	C/P	=>	GRPU	25.00	2013-06-22	C/P
GRP	30.00	2013-06-22	C/P	=>	GRPU	30.00	2013-06-22	C/P
GRP	35.00	2013-06-22	C/P	=>	GRPU	35.00	2013-06-22	C/P
GRP	40.00	2013-06-22	C/P	=>	GRPU	40.00	2013-06-22	C/P
GRP	45.00	2013-06-22	C/P	=>	GRPU	45.00	2013-06-22	C/P
GRP	50.00	2013-06-22	C/P	=>	GRPU	50.00	2013-06-22	C/P
GRP	55.00	2013-06-22	C/P	=>	GRPU	55.00	2013-06-22	C/P

GTC Order Conversion

On Thursday, January 3, 2013, immediately after the CBOE close, the system will convert or cancel all resting orders in the GRP order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all ORS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustments. If your firm has requested, all booked orders and ORS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. ORS CXLs will also be transmitted electronically to your branches.

A report will be available at the Help Desk listing the orders that are converted or canceled. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

http://www.cboe.com/ContractAdjustments