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BUSINESS
TOGETHER

COMINAR REAL ESTATE INVESTMENT TRUST

Analyst Conference Call | August 24th, 2017





> FORWARD-LOOKING STATEMENTS

This presentation may contain forward-looking statements with respect to Cominar and its operations, strategy, financial performance and financial condition. The actual results and performance of Cominar discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulation and the factors described under "Risk Factors" in the Annual Information Form of Cominar. The cautionary statements qualify all forward-looking statements attributable to Cominar and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this presentation. Cominar does not assume any obligation to update the forward-looking statements except as required by applicable laws.

Net operating income, recurring funds from operations, recurring adjusted funds from operations, recurring adjusted cash flow from operations and proportionate share in joint ventures adjustments are non-IFRS measures and do not have a standardized meaning. Therefore, they may differ from similar measures presented by other entities and, consequently, may not be comparable to similar measures presented by such other entities. For a reconciliation with the closest IFRS measures, please see our MD&A for the quarter ended June 30, 2017.

> FOCUS ON CORE MARKETS

CORE MARKETS - PROVINCE OF QUEBEC AND OTTAWA/GATINEAU REGION

CRITICAL MASS

428 properties
37.9M sq. ft.

GLA
66.5% Montréal
27.0% Québec City
6.5% Ottawa/Gatineau

HISTORICAL ROOTS

Cominar and its predecessors have been operating in Québec City for 50 years, and Cominar in Montréal since 1999

Deep roots in these markets, where its brand is very well known, with significant leasing, operations and market knowledge

INTERNALIZED PLATFORM

Highly internalized leasing and operating platform, generating strong operating efficiencies and enhanced economies of scale

DEVELOPMENT AND REDEVELOPMENT EXPERTISE

Leading development and redevelopment expertise (Eg. Place de la Cité, Complexe Jules-Dallaire, Place Laval V, Alexis Nihon, Promenades Beauport...)

Current and future: Eg. Québec City (IKEA site), CN Montréal train station and Laurier Boulevard (new CBD of Québec City)

> TARGETS

52.7%



48%



Revised long-term debt-to-gross book value ratio target to less than 48%

Majority of the sales proceeds will be used to reduce debt

Target AFFO payout ratio below 90%

Initiatives will:

- > Strengthen balance sheet
- > Enhance flexibility

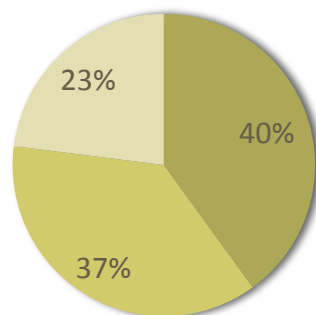
> PORTFOLIO

CORE MARKETS	
	sq. ft.
Québec	10,173,000
Montréal	25,227,000
Ottawa/Gatineau	2,473,000
Core Markets	37,873,000

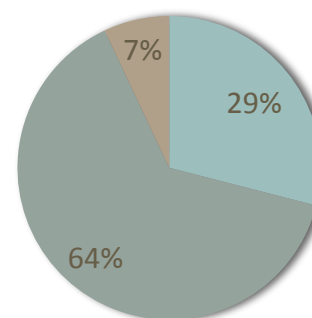
PROPERTIES TO BE SOLD	
	sq. ft.
GTA	2,466,000
Western Canada	1,096,000
Atlantic Provinces	2,647,000
Properties to be sold	6,209,000

**Estimated fair value
exceeding: \$1.2B**

Core market portfolio diversification (NOI)



■ Office ■ Retail ■ Industrial



■ Québec ■ Montréal ■ Ottawa/Gatineau



> SALES PROCEEDS

ACTION	PROCEEDS	USE OF PROCEEDS
DEBT REPAYMENT	\$875M	48% long-term debt target
NORMAL COURSE ISSUER BID	~\$125M	Up to 9,000,000 units
ACQUISITIONS & DEVELOPMENTS	~\$200M	Incremental NOI



> CORE MARKETS LEASING ACTIVITY

Need to generate an additional \$15M of NOI to align the payout ratio

- \$2.5M of estimated incremental NOI per 100,000 sq. ft. of new leases

Recent core markets leasing activity:

- 2016 new leases 2.3M sq. ft.
- H1 2017 new leases 1.95M sq. ft.

> SEARS CANADA: POTENTIAL UPSIDE

	LOCATION	SQ. FT.
Announced Closures	Quartier Laval Laval	43,147
	Carrefour Saint-Georges Saint-Georges	53,000
	Galerias de Hull Gatineau	128,040
Other Properties	Pierre-Bertrand boul. Québec (industrial)	23,947
	Mail Champlain Brossard	153,600
	Galerias Rive Nord Repentigny	125,471
	Les Rivières Trois Rivières	Shadow anchor
Total		527,205

- Market NOI: \$9.22M
- Actual NOI: \$5.12M
- **Total estimated NOI upside: \$4.10M**
- Investment of \$52.7M (\$100/sq. ft.)
- **NOI return: 7.8%**

> CONCLUSION

PRIORITIES

- Disposition of non-core market properties
- Improving occupancy/NOI

DISPOSITION PROCESS

- Commencing immediately
- Sales by portfolio (6 to 8 portfolios with appropriate asset mix)
- Proven transaction execution track record

Cominar anticipates that its initiatives will narrow the significant trading discount to its net asset value

THANK YOU

