
COMINAR REAL ESTATE INVESTMENT TRUST

Three Months ended June 30, 2005

Supplemental Information Package

August 9, 2005

This Supplemental Information Package should be read in conjunction with the audited consolidated financial statements for the fiscal year ended December 31, 2004 and with the unaudited interim consolidated financial statements for the period ended June 30, 2005. For more details, please refer to the REIT's SEDAR filings, including its most recent Annual Report. All amounts contained herein are expressed in Canadian dollars.

COMINAR REAL ESTATE INVESTMENT TRUST

Supplemental Information Package for the Three Months ended

June 30, 2005

Table of Contents

Investor Information	3
Selected Quarterly Information	4
Portfolio Summary	5
Acquisitions, Developments and Sales	7
Segmented Rental Revenues, Net Operating Income and Book Value, by sector and region, and leasable area by region	8
Debt Summary – Maturities and Financing Activities	10
Leasing Activities	11
Units and Options Outstanding	13
Trading Statistics	14

COMINAR REAL ESTATE INVESTMENT TRUST

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Stock Exchange: Toronto Stock Exchange (TSX)

Trading Symbols: Units: CUF.UN
Debentures: CUF.DB

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COMINAR REAL ESTATE INVESTMENT TRUST

Selected Quarterly Information

(\$MM except as indicated and for per unit amounts)

June 30 2005 March 31 2005 Dec 31 2004 Sept 30 2004 June 30 2004

Selected Operating Data

Operating Revenues	30.7	30.5	28.7	27.1	27.8
Net Operating Income ⁽¹⁾	18.4	16.8	18.7	17.3	17.0
Net Operating Income Margin	60.2%	55.1%	65.1%	63.7%	61.0%
Net Income	8.0	6.0	7.9	8.0	8.8
Adjusted Net Income ⁽²⁾	7.8	6.0	7.9	8.0	8.0
Net Income per Unit	0.247	0.187	0.246	0.252	0.276
Distributable Income ⁽³⁾	11.2	9.4	11.2	11.0	11.5
Adjusted Distributable Income	11.2	9.4	11.2	11.0	10.8
Distributable Income per Unit ⁽³⁾	0.344	0.291	0.350	0.345	0.363
Adjusted Distributable Income per Unit	0.344	0.291	0.350	0.345	0.339

Distributions to Unitholders

Distributions	9.8	9.7	9.9	9.4	9.3
Distributions per Unit	0.300	0.300	0.308	0.294	0.291
Payout ratio (12 month basis)	90.4%	88.5%	87.3%	86.5%	86.1%

Selected Balance Sheet Data

Income Properties	635.4	639.2	640.9	624.4	564.1
Properties Under Development	29.0	23.4	21.0	23.8	30.0
Mortgages	258.5	260.9	262.2	267.7	276.9
Convertible Debentures	99.8	99.8	100.0	100.0	-
Bank Indebtedness	16.9	3.0	-	-	19.7
Unitholders' Equity	320.5	321.5	321.5	318.9	319.5

Ratio Analysis

Debt to total capitalization ^{(5) (8)}	37.9%	39.0%	39.1%	42.1%	38.4%
Debt to gross book value ^{(6) (8)}	50.4%	49.5%	49.3%	50.7%	45.5%
Interest coverage ratio ^{(7) (8)}	3.40	3.56	3.73	4.00	3.81

Statistics-Units Outstanding (000)

Weighted-average number of Units	32,576	32,388	32,058	31,907	31,814
Units issued and outstanding-end of period	32,597	32,554	32,284	31,967	31,897

- (1) "Net operating income" is not a measure defined by generally accepted accounting principles ("GAAP"). It is, however, a term frequently used by real estate professionals to measure the intrinsic return of a real estate portfolio. Cominar defines this measure as operating income, as determined in accordance with GAAP, before interest on borrowings, depreciation of income properties, and amortization of deferred expenses and other assets.
- (2) "Adjusted net income" excludes, for the quarter ended June 30, 2005, a non recurring gain of \$248,000 as a result of the sale of an income-producing property. For the quarter ended June 30, 2004, it excludes an amount of \$740,000 realized as a result of the settlement of a legal dispute.
- (3) "Distributable income" is not a financial measure defined by GAAP, but is a measure frequently used in the real estate market. Cominar's management believes distributable income to be an excellent measure to judge Cominar's operating performance. It generally corresponds to net income established in accordance with GAAP, excluding amortization expense, deferred rental income and stock-based compensation cost related to options. The distributions paid annually to unitholders must represent at least 85% of distributable income and partly determine the return obtained by unitholders.
- (4) For comparison purposes, "Adjusted distributable income" excludes, for the quarter ended June 30, 2004, an amount of \$740,000 realized as a result of the settlement of a legal dispute.
- (5) As of June 30, 2005.
- (6) The debt to gross book value ratio is equal to the total of long-term debt and bank indebtedness, divided by gross book value (total asset value plus accumulated depreciation).
- (7) The interest coverage ratio is equal to income before interest on borrowings, divided by interest on borrowings.
- (8) These ratios are not defined by GAAP and may differ from that of other entities.

COMINAR REAL ESTATE INVESTMENT TRUST
Portfolio Summary

June 30 2005 March 31 2005 Dec 31 2004 Sept 30 2004 June 30 2004

Number of Properties

Office	14	14	14	14	13
Retail	27	27	25	25	25
Industrial	<u>83</u>	<u>84</u>	<u>83</u>	<u>79</u>	<u>77</u>
Total	124	125	122	118	115

Leasable Area (000 square feet)

Office	2,220	2,220	2,220	2,215	1,840
Retail	2,431	2,431	2,378	2,277	2,200
Industrial	<u>4,780</u>	<u>4,826</u>	<u>4,815</u>	<u>4,570</u>	<u>4,300</u>
Total	9,431	9,477	9,413	9,062	8,340

Changes in Number of Properties

	Number of Properties		%	
	Vs Q1/05	Vs Q2/04	Vs Q1/05	Vs Q2/04
Office	0	1	0.00%	7.69%
Retail	0	2	0.00%	8.00%
Industrial	<u>-1</u>	<u>6</u>	<u>-1.19%</u>	<u>7.79%</u>
Total	-1	9	-0.80%	6.25%

Changes in Leasable Area

	Square feet (000)		%	
	Vs Q1/05	Vs Q2/04	Vs Q1/05	Vs Q2/04
Office	0	380	0.00%	20.65%
Retail	0	231	0.00%	10.50%
Industrial	<u>-46</u>	<u>480</u>	<u>-0.95%</u>	<u>11.16%</u>
Total	-46	1 091	-0.49%	13.08%

COMINAR REAL ESTATE INVESTMENT TRUST

Portfolio Summary

Portfolio as at June 30, 2005

	Square feet	Number of Properties
Office ⁽¹⁾	2,220,000	14
Retail ⁽²⁾	2,430,666	27
Industrial	<u>4,780,757</u>	<u>83</u>
Total	9,431,423	124

(1) The office sector includes 674,842 square feet of office space at Place de la Cité,

(2) The retail sector includes 368,163 square feet of retail space and a health and recreational centre at Place de la Cité, Place de la Cité has been included in the Retail Properties category,

COMINAR REAL ESTATE INVESTMENT TRUST
Acquisitions, Developments and Sales

2005 Acquisitions

Date	Location	Sector ⁽¹⁾	Leasable Area (square feet)	Amount \$	Assumed Mortgages	Cap Rate %
mars-05	1050, René-Lévesque blvd, Drummondville	R	28,906	1,950,000	1,026,872	9.5
avr-05	940, rue Bergar, Laval	I	14,800	617,350	0	9.7

2005 Sales

Date	Location	Sector ⁽¹⁾	Leasable Area (square feet)	Amount \$	Balance of Sale
juin-05	9055, Impasse-de-l'Invention, Anjou	I	45,671	2,700,000	2,025,000

Development Projects

	Sector ⁽¹⁾	Leasable Area (square feet)	Investment (\$)	Estimated ⁽²⁾ Cap Rate (%)	Expected Completion
Projects in progress					
Les Promenades Beauport	R	123,400	7,800,000	10.9	Winter 2005
Carrefour Charlesbourg	R	76,000	9,800,000	10.9	Winter 2005
Henri-IV Project, Quebec City					
Phase I	I	35,020	10,800,000	10.5	Winter 2005
Phase II	I	104,608			
Phase III	I	45,000			
Autoroute 440 Project, Laval					
Phase I	I	117,000	13,090,000	10.1	Winter 2005
Phase II	I	106,500			Spring 2006
Place Lévis	R	8,500	630,000	10.5	Winter 2005
1455, 32ième Av. Lachine	I	32,000	800,000	10.2	Fall 2005
Projects to come					
275, St-Sacrement, Québec	I	66,479	1,700,000	9.6	Fall 2005
940, rue Bergar, Laval	I	22,800	350,000	11.8	Fall 2005
1050, René-Lévesque, Drummondville	R	28,906	300,000	9.5	Fall 2005
40, du Tremblay, Longueuil	I	37,600	1,700,000	10.8	Fall 2005
Projet - rue Godin	I	30,000	1,600,000	9.4	Fall 2005
Clémenceau, Beauport	O	36,000	2,600,000	10.7	Fall 2005
Completed Project					
Phase III Laval	I	46,740	3,300,000	10.1	
Total		916,553	54,470,000		

- (1) R : Retail, O : Office and I : Industrial
- (2) After the development

COMINAR REAL ESTATE INVESTMENT TRUST
Segmented Rental Revenues, Net Operating Income and Book Value

Segmented Rental Revenues

(in thousands of dollars)	Q2/05 \$	Q2/04 \$	Change Vs Q2/04
Rental Revenues			
Office	11,074	9,221	1,853
Retail	9,712	9,716	(4)
Industrial	<u>9,868</u>	<u>8,877</u>	<u>991</u>
Total	30,654	27,814	2,840
Net Operating Income ⁽¹⁾			
Office	6,740	5,814	926
Retail	5,609	5,576	33
Industrial	<u>6,093</u>	<u>5,567</u>	<u>526</u>
Total	18,442	16,957	1,485

Book Value

(in thousands of dollars)	Q2/05 \$	Q1/05 \$	Q2/04 \$	Change Vs Q1/05	Change Vs Q2/04
Gross Book Value by Segment					
Office	262,350	261,513	209,429	837	52,921
Retail	230,903	218,243	205,986	12,660	24,917
Industrial	<u>206,925</u>	<u>214,986</u>	<u>170,485</u>	<u>-8,061</u>	<u>36,440</u>
	700,178	694,742	585,900	5,436	114,278
Properties under Development	<u>28,953</u>	<u>23,372</u>	<u>29,919</u>	<u>5,581</u>	<u>-966</u>
Total	729,131	718,114	615,819	11,017	113,312
Net book Value by Segment					
Office	247,838	248,565	201,516	-727	46,322
Retail	200,723	203,264	197,705	-2,541	3,018
Industrial	<u>186,801</u>	<u>187,328</u>	<u>164,919</u>	<u>-527</u>	<u>21,882</u>
	635,362	639,157	564,140	-3,795	71,222
Properties under Development	<u>28,953</u>	<u>23,372</u>	<u>29,919</u>	<u>5,581</u>	<u>-966</u>
Total	664,315	662,529	594,059	1,786	70,256

(1) See Note 1 on page 4

COMINAR REAL ESTATE INVESTMENT TRUST
Segmented Rental Revenues, Net Operating Income and Book Value

Net Book Value By Region

(in thousands of dollars)	Q2/05	Q1/05	Q2/04	Change Vs Q1/05	Change Vs Q2/04
Quebec City	399,206	399,806	377,630	-600	21,576
Montreal	<u>236,156</u>	<u>239,351</u>	<u>186,510</u>	<u>-3,195</u>	<u>49,646</u>
Total	635,362	639,157	564,140	-3,795	71,222

Leasable Space by Region

	Q2/05 S.F.	Q1/05 S.F.	Q2/04 S.F.	Change Vs Q1/05	Change VS Q2/04
Quebec City	6,166,294	6,167,666	5,642,353	1,372)	523,941
Montreal	<u>3,265,129</u>	<u>3,309,428</u>	<u>2,698,400</u>	<u>(44,299)</u>	<u>566,729</u>
Total	9,431,423	9,477,094	8,340,753	(45,671)	1,090,670

Number of Properties by Region

	June 30 2005	March, 31 2005	Dec, 31 2004	Sept, 30 2004	June 30 2004
Québec City	85	85	83	81	81
Montréal	<u>39</u>	<u>40</u>	<u>39</u>	<u>37</u>	<u>34</u>
Total	124	125	122	118	115

COMINAR REAL ESTATE INVESTMENT TRUST

Debt Summary – Maturities and Financing Activities

Debt Maturity Schedule

Year	Amount \$	% of Total Debt outstanding	Average Annual Rate
2005	10,291,000	2.87%	4.50%
2006	34,122,000	9.52%	6.29%
2007	47,870,000	13.36%	5.85%
2008	126,594,000	35.33%	6.06%
2009 and thereafter ⁽¹⁾	<u>139,437,000</u>	<u>38.91%</u>	<u>6.58%</u>
	358,314,000	100.00%	6.21%

(1) Including Convertible Debentures maturing in 2014

Weighted Average Interest Rate

6.21 %

Weighted Average Term

4.95 years

Financing Capacity

As of June 30, 2005, the debt to gross book value ratio was 50.4 %

At 60% of Gross Book Value: \$ 180,000,000 of additional borrowing capacity

At 55% of Gross Book Value: \$ 77,500,000 of additional borrowing capacity

COMINAR REAL ESTATE INVESTMENT TRUST
Leasing Activities

Occupancy Rates

	Q2/05	Q1/05	Q2/04	Change Vs Q1/05	Change Vs Q2/04
Occupancy					
Office	94.72%	94.70%	94.47%	0.02%	0.25%
Retail	95.24%	95.10%	95.39%	0.14%	-0.15%
Industrial and mixed-use	95.31%	94.70%	94.40%	0.61%	0.91%
Total	95.14%	94.80%	94.68%	0.34%	0.46%

Lease Expiries and Renewals by Segments

	Office	Retail	Industrial	Total
Expiring Leases/2005				
Number of Tenants	96	110	118	324
Area (Square Feet)	397,961	203,274	469,364	1,070,599
Average Net Rent/Square Foot	\$7.69	\$8.92	\$4.89	\$6.70
Renewed Leases as at Q2				
Number of tenants	42	46	54	142
Area (Square Feet)	176,998	80,642	247,308	504,948
Average Net Rent/Square Foot	\$8.04	\$10.09	\$5.46	\$7.10
New Leases as at Q2				
Number of Tenants	18	28	33	79
Area (Square Feet)	63,197	99,068	216,704	378,969
Average Net Rent/Square Foot	\$8.48	\$8.22	\$5.53	\$6.73

COMINAR REAL ESTATE INVESTMENT TRUST
Leasing Activities

Lease Maturities

	Office	Retail	Industrial	Total
Number of Leases				
2006	66	111	78	255
2007	45	97	86	228
2008	62	94	81	237
2009	20	60	58	138
2010	37	68	42	147
Leasable Area (Square Feet)				
2006	167,885	242,722	507,110	917,717
2007	103,146	235,665	684,853	1,023,664
2008	238,304	255,039	565,098	1,058,441
2009	48,846	178,395	443,595	670,836
2010	172,227	178,226	363,579	714,032
Weighted Average Net Rent (per Square Foot)				
2006	\$8.02	\$10.34	\$5.28	\$7.12
2007	\$8.94	\$10.08	\$5.66	\$7.00
2008	\$8.97	\$8.83	\$5.01	\$6.82
2009	\$9.51	\$11.77	\$6.20	\$7.92
2010	\$9.30	\$10.58	\$5.39	\$7.63

COMINAR REAL ESTATE INVESTMENT TRUST
 Units and Options Outstanding

Units Outstanding

Units outstanding - Opening Balance December 31, 2004	32,284,409
Units issued under Distributions Reinvestment Plan	34,618
Units issued upon conversion of Convertible Debentures	11,953
Options exercised	<u>265,900</u>
Units outstanding – closing balance June 30, 2005	<u>32,596,880</u>

Options Activity

	Options	Weighted-average exercise price per unit (\$)
Options outstanding – opening balance December 31, 2004,	2,563,000	13.86
Exercised	(265,900)	13.17
Granted	<u>241,000</u>	17.12
Options outstanding – closing balance June 30, 2005	2,538,100	14.31

COMINAR REAL ESTATE INVESTMENT TRUST
Trading Statistics

CUF,UN Trading Statistics - Toronto Stock Exchange

	Q2/05	Q1/05	Q4/04	Q3/04	Q2/04
High	\$19.00	\$19.40	\$17.89	\$16.12	\$15.94
Low	\$17.55	\$16.97	\$15.78	\$14.52	\$13.00
Close	\$18.87	\$17.47	\$17.20	\$15.84	\$14.95
Volume (000)	2,275	5,578	3,029	3,618	3,027
Distributions per Unit	\$0.300	\$0.300	\$0.308	\$0.294	\$0.291

CUF,DB Trading Statistics - Toronto Stock Exchange

	Q2/05	Q1/05	Q4/04	Q3/04	Q2/04
High	\$109.99	\$111.00	\$104.98	\$99.95	n/a
Low	\$101.91	\$100.00	\$ 99.60	\$97.00	n/a
Close	\$109.50	\$103.00	\$102.61	\$99.95	n/a
Volume (000)	8,113	12,296	18,230	6,812	n/a

Source: Toronto Stock Exchange

Transfert Agent: National Bank Trust