

COMINAR REAL ESTATE INVESTMENT TRUST

Third Quarter

**Supplementary Information Package**



**COMINAR**

November 8, 2006

This Supplementary Information Package must be read in conjunction with the audited consolidated financial statements for the fiscal year ended December 31, 2005 and with the unaudited interim consolidated financial statements for the three-month period ended September 30, 2006. For more details, please refer to the REIT's SEDAR filings. All amounts contained herein are expressed in Canadian dollars.

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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

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

Sept. 30      June 30      March 31      Dec. 31      Sept. 30  
2006      2006      2006      2005      2005

**Selected Operating Data**

Operating Revenues	32.7	33.2	32.7	31.2	29.8
Net Operating Income <sup>(1)</sup>	20.9	20.1	18.5	19.9	19.0
Net Operating Income Margin	63.9%	60.6%	56.4%	63.5%	63.8%
Net Income	9.1	8.4	6.2	9.0	8.3
Recurring Net Income <sup>(2)</sup>	9.1	8.4	6.7	9.0	8.3
Net Income per unit	0.263	0.250	0.187	0.272	0.255
Distributable Income <sup>(3)</sup>	12.9	12.0	9.7	12.3	11.8
Recurring Distributable Income <sup>(2) (3)</sup>	12.9	12.0	10.3	12.3	11.8
Distributable Income per unit <sup>(3)</sup>	0.374	0.359	0.295	0.375	0.362
Recurring Distributable Income per unit <sup>(2) (3)</sup>	0.374	0.359	0.311	0.375	0.362

**Distributions to Unitholders**

Distributions	10.7	10.3	10.0	10.2	9.8
Distributions per unit	0.306	0.306	0.302	0.310	0.300
Payout ratio (12 month basis)	87.2%	87.6%	88.0%	88.1%	89.7%

**Selected Balance Sheet Data**

Income Properties	688.0	670.1	668.6	658.9	639.2
Properties Under Development and Land Held for Future Development	24.3	22.4	21.3	22.0	31.2
Mortgages	274.0	295.9	249.1	253.6	256.0
Convertible Debentures	48.2	78.9	95.7	97.5	98.5
Bank Indebtedness	47.5	7.9	48.7	25.8	19.9
Unitholders' Equity	371.7	341.5	325.0	323.1	320.9

**Ratio Analysis**

Debt to total capitalization <sup>(6)</sup>	32.9%	36.5%	36.9%	37.3%	37.1%
Debt to gross book value <sup>(4) (6)</sup>	45.0%	48.0%	50.0%	49.0%	49.6%
Interest coverage ratio (12 month basis) <sup>(5) (6)</sup>	3.54	3.58	3.55	3.51	3.41

**Statistics-Units Outstanding (000)**

Weighted-average number of units	34,578	33,506	32,997	32,770	32,632
Units issued and outstanding-end of period	36,215	34,382	33,318	32,941	32,708

- (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, amortization, Trust administrative expenses, other income and unusual item.
- (2) "Recurring net income" excludes, for the quarter ended March 31, 2006, \$554 in non-recurring expenses in connection with a transaction which was not concluded.
- (3) Distributable income means net income determined in accordance with Canadian GAAP excluding depreciation of income properties, amortization of above-market leases, compensation costs related to unit options, deferred rentals and gains or losses on sale of income properties. The distributions paid annually to unitholders must represent at least 85% of distributable income and partly determine the return obtained by unitholders.
- (4) 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).
- (5) The interest coverage ratio is equal to net operating income, divided by interest on borrowings.
- (6) These ratios are not defined by GAAP and may differ from those of other entities.

	Sept. 30 2006	June 30 2006	March 31 2006	Dec. 31 2005	Sept. 30 2005
<b>Number of Properties</b>					
Office <sup>(1)</sup>	14	14	14	14	14
Retail <sup>(2)</sup>	31	29	28	28	27
Industrial and mixed-use	<u>93</u>	<u>89</u>	<u>87</u>	<u>86</u>	<u>84</u>
<b>Total</b>	<b>138</b>	<b>132</b>	<b>129</b>	<b>128</b>	<b>125</b>

**Leasable Area (000 square feet)**

Office <sup>(1)</sup>	2,212	2,212	2,212	2,212	2,220
Retail <sup>(2)</sup>	2,373	2,343	2,339	2,339	2,330
Industrial and mixed-use	<u>5,498</u>	<u>5,342</u>	<u>5,190</u>	<u>4,973</u>	<u>4,917</u>
<b>Total</b>	<b>10,083</b>	<b>9,897</b>	<b>9,741</b>	<b>9,524</b>	<b>9,467</b>

**Changes in Number of Properties**

	Number of Properties		%	
	Vs Q2/06	Vs Q3/05	Vs Q2/06	Vs Q3/05
Office	0	0	0.00%	0.00%
Retail	2	4	6.90%	14.81%
Industrial and mixed-use	<u>4</u>	<u>9</u>	<u>4.50%</u>	<u>10.71%</u>
<b>Total</b>	<b>6</b>	<b>13</b>	<b>4.55%</b>	<b>10.40%</b>

**Changes in Leasable Area**

	Square feet (000)		%	
	Vs Q2/06	Vs Q3/05	Vs Q2/06	Vs Q3/05
Office	0	-8	0.00%	-0.36%
Retail	30	43	1.28%	1.85%
Industrial and mixed-use	<u>156</u>	<u>581</u>	<u>2.92%</u>	<u>11.82%</u>
<b>Total</b>	<b>186</b>	<b>616</b>	<b>1.88%</b>	<b>6.51%</b>

(1) The office sector includes 668 044 square feet of office space at Place de la Cité.

(2) The retail sector includes 371 769 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.

**2006 Acquisitions of Income Properties** (as at September 30, 2006)

<b>Date</b>	<b>Location</b>	<b>Sector<sup>(1)</sup></b>	<b>Leasable Area (square feet)</b>	<b>Amount \$</b>	<b>Assumed Cap Rate Mortgages</b>	<b>Cap Rate %</b> <sup>(2)</sup>
Jan.-06	11000, Parkway, Anjou	I	217,000	7,000,000	0	9.4
June-06	20, Boul Hymus, Pointe-Claire	I	50,413	2,875,000	0	9.4
July-06	2156, de la Province Longueuil	I	41,276	6,125,000 <sup>(3)</sup>	0	9.0 <sup>(3)</sup>
July-06	2170, de la Province Longueuil	I	22,572	<sup>(3)</sup>	0	<sup>(3)</sup>
July-06	715, Delage street Longueuil	I	42,462	<sup>(3)</sup>	0	<sup>(3)</sup>
August-06	6445, Cote-de-Liesse St-Laurent	I	49,500	2,450,000	0	9.6
Sept.-06	2760, Jacques Cartier Est Longueuil	R	24,400	5,350,000 <sup>(4)</sup>	0	9.0 <sup>(4)</sup>
Sept.-06	2790, Jacques Cartier Est Longueuil	R	6,000	<sup>(4)</sup>	0	<sup>(4)</sup>

(1) I : Industrial and mixed-use, R : Retail

(2) After the development

(3) These three properties were acquired pursuant to the same transaction for \$6.1 million at a 9% capitalization rate.

(4) These two properties were acquired pursuant to the same transaction for \$5.4 million at a 9% capitalization rate.

## Development Projects

	Sector <sup>(1)</sup>	Leasable Area (square feet)	Investment	Estimated <sup>(2)</sup> Cap Rate (%)	Expected Completion	Leasing Rate (%)
<b><u>Completed Projects</u></b>						
Henri-IV Project, Quebec City						
3000 av. St-Jean-Baptiste	I	45,000	2,800,000	10.5	Q1-2006	78
2800 av. Saint-Jean-Baptiste	I	105,000	6,500,000	10.5	Q3-2006	90
Highway 440 Project, Laval						
4451 Autoroute Laval West	I	117,000	7,100,000	10.1	Q3-2006	85
1050 R-Lévesque, Drummondville	R	28,906	300,000	9.5	Q3-2006	76
940 Bergar, Laval	I	<u>22,800</u>	<u>400,000</u>	11.8	Q3-2006	100
		<b>318,706</b>	<b>17,100,000</b>			
<b><u>Ongoing Projects</u></b>						
Highway 440 Project, Laval						
2900 J.-A.- Bombardier, Laval	I	106,500	6,200,000	10.1	Winter 2007	47
275 St-Sacrement, Quebec City	I	66,479	2,200,000	9.6	Fall 2006	29
40 du Tremblay, Longueuil	I	37,600	1,700,000	10.8	Fall 2006	100
Project – St-Augustin	I	33,000	4,000,000	9.5	Fall 2006	100
Project – Beauport	R	4,200	400,000	9.9	Fall 2006	100
Project - Laval	I	<u>80,000</u>	<u>5,300,000</u>	9.9	Summer 2007	25
		<b>327,779</b>	<b>19,800,000</b>			
<b><u>Upcoming Projects</u></b>						
					<b>Start Date</b>	
Project – Godin St.,	I	30,000	1,600,000	9.4	Winter 2007	n/a
Project – St-Bruno	R	105,000	12,600,000	9.8	Winter 2007	n/a
Project – 20 Boul Hymus,						
Pointe-Claire	I	25,000	1,300,000	9.4	Winter 2007	n/a
Project – Levis	I and R	160,000	10,300,000	9.4	Spring 2007	n/a
Project – Des Artisans	I	<u>36,000</u>	<u>2,100,000</u>	9.5	Winter 2007	n/a
		<b>356,000</b>	<b>27,900,000</b>			

(1) R : Retail and I : Industrial and mixed-use

(2) After the development

COMINAR REAL ESTATE INVESTMENT TRUST

Rental Revenues by Sector, Net Operating Income and Book Value by Sector and Region, Leasable Area and Number of Properties by Region

**Rental Revenues by Sector**

(in thousands of dollars)	Q3/06 \$	Q3/05 \$	Change
<b>Rental Revenues</b>			
Office	11,757	10,857	900
Retail	10,135	9,884	251
Industrial	<u>10,850</u>	<u>9,071</u>	<u>1,779</u>
<b>Total</b>	<b>32,742</b>	<b>29,812</b>	<b>2,930</b>
<b>Net Operating Income <sup>(1)</sup></b>			
Office	7,262	6,515	747
Retail	5,946	6,140	(194)
Industrial	<u>7,706</u>	<u>6,379</u>	<u>1,327</u>
<b>Total</b>	<b>20,914</b>	<b>19,034</b>	<b>1,880</b>

**Book Value**

(in thousands of dollars)	Q3/06 \$	Q3/05 \$	Change
<b>Gross Book Value by Segment</b>			
Office	263,967	262,982	985
Retail	237,358	216,954	20,404
Industrial	<u>242,287</u>	<u>198,897</u>	<u>43,390</u>
	743,612	678,833	64,779
Properties under Development and land held for future development	<u>24,275</u>	<u>31,241</u>	<u>(6,966)</u>
<b>Total</b>	<b>767,887</b>	<b>710,074</b>	<b>57,813</b>
<b>Net book Value by Segment</b>			
Office	241,590	246,863	(5,273)
Retail	219,853	204,203	15,650
Industrial	<u>226,597</u>	<u>188,126</u>	<u>38,471</u>
	688,040	639,192	48,848
Properties under Development and land held for future development	<u>24,275</u>	<u>31,241</u>	<u>(6,966)</u>
<b>Total</b>	<b>712,315</b>	<b>670,433</b>	<b>41,882</b>

(1) See Note 1 on page 4

COMINAR REAL ESTATE INVESTMENT TRUST

Rental Revenues by Sector, Net Operating Income and Book Value by Sector and Region, Leasable Area and Number of Properties by Region

**Net Book Value By Region – Income properties**

(in thousands of dollars)	Q3/06	Q2/06	Q3/05	Change Vs Q2/06	Change Vs Q3/05
Quebec City	418,627	419,247	401,816	(620)	16,811
Montreal	<u>269,413</u>	<u>250,883</u>	<u>237,376</u>	<u>18,530</u>	<u>32,037</u>
<b>Total</b>	<b>688,040</b>	<b>670,130</b>	<b>639,192</b>	<b>17,910</b>	<b>48,848</b>

**Leasable Space by Region**

(square feet)	Q3/06	Q2/06	Q3/05	Change Vs Q2/06	Change VS Q3/05
Quebec City	6,214,606	6,214,606	6,203,415	0	11,191
Montreal	<u>3,868,679</u>	<u>3,682,469</u>	<u>3,263,757</u>	<u>186,210</u>	<u>604,922</u>
<b>Total</b>	<b>10,083,285</b>	<b>9,897,075</b>	<b>9,467,172</b>	<b>186,210</b>	<b>616,113</b>

**Number of Properties by Region**

	Setp. 30 2006	June 30 2006	March 31 2006	Dec. 31 2005	Sept. 30 2005
Quebec City	90	90	88	88	86
Montréal	<u>48</u>	<u>42</u>	<u>41</u>	<u>40</u>	<u>39</u>
<b>Total</b>	<b>138</b>	<b>132</b>	<b>129</b>	<b>128</b>	<b>125</b>

**Debt Maturity Schedule**

<b>Year</b>	<b>Amount (in thousands \$)</b>	<b>% of Total Debt outstanding</b>	<b>Average Annual Rate</b>
2006	11,146	3.46%	5.84%
2007	44,545	13.83%	6.58%
2008	121,437	37.70%	6.06%
2009	—	—	—
2010	—	—	—
2011 and thereafter <sup>(1)</sup>	<u>145,019</u>	<u>45.01%</u>	<u>6.36%</u>
	<b>322,147</b>	<b>100.00%</b>	<b>6.26%</b>

<sup>(1)</sup> Including Convertible Debentures maturing in 2014

**Weighted Average Interest Rate**

6.26%

**Weighted Average Term – Including Convertible Debentures**

5.57 years

**Financing Capacity**

As of September 30, 2006, the debt to gross book value ratio was 45.0%

At 60% of Gross Book Value: \$ 307,500,000 of additional borrowing capacity

At 55% of Gross Book Value: \$ 182,000,000 of additional borrowing capacity

## Occupancy Rates

	Q3/06	Q2/06	Q3/05	Change Vs Q2/06	Change Vs Q3/05
Office	95.6%	94.4%	95.1%	1.20%	0.50%
Retail	95.1%	93.5%	95.1%	1.60%	0.00%
Industrial and mixed-use	<u>93.9%</u>	<u>97.1%</u>	<u>95.5%</u>	<u>-3.20%</u>	<u>-1.60%</u>
<b>Total</b>	<b>94.6%</b>	<b>95.6%</b>	<b>95.3%</b>	<b>-1.00%</b>	<b>-0.70%</b>

## Lease Expiries and Renewals by Segments

	Office	Retail	Industrial and mixed-use	Total
<b>Expiring Leases/2006</b>				
Number of Tenants	81	105	101	<b>287</b>
Area (Sq.ft.)	200,838	200,514	570,551	<b>971,903</b>
Average Net Rent/Sq.ft.	\$7.93	\$10.01	\$5.27	<b>\$6.80</b>
<b>Renewed Leases</b>				
Number of tenants	41	60	67	<b>168</b>
Area (Sq.ft.)	142,044	113,242	544,075	<b>799,361</b>
Average Net Rent/Sq.ft.	\$8.54	\$11.25	\$5.37	<b>\$6.76</b>
<b>New Leases</b>				
Number of Tenants	16	23	86	<b>125</b>
Area (Sq.ft.)	40,383	62,193	407,684	<b>510,260</b>
Average Net Rent/Sq.ft.	\$9.72	\$8.22	\$6.68	<b>\$7.11</b>

**Lease Maturities**

	Office	Retail	Industrial and mixed-use	Total
<b>Number of Leases</b>				
2007	77	113	145	<b>335</b>
2008	67	94	106	<b>267</b>
2009	28	69	80	<b>177</b>
2010	53	101	65	<b>219</b>
2011	29	63	71	<b>163</b>
<b>Leasable Area (Square Feet)</b>				
2007	260,020	268,373	1,068,380	<b>1,596,773</b>
2008	222,402	253,742	711,809	<b>1,187,953</b>
2009	65,374	191,816	496,109	<b>753,299</b>
2010	208,988	216,163	401,704	<b>826,855</b>
2011	158,778	260,132	772,369	<b>1,191,279</b>
<b>Weighted Average Net Rent (per Square Foot)</b>				
2007	\$9.24	\$9.74	\$5.50	<b>\$6.82</b>
2008	\$8.82	\$8.75	\$5.40	<b>\$6.76</b>
2009	\$9.66	\$11.35	\$6.15	<b>\$7.78</b>
2010	\$9.46	\$12.01	\$6.09	<b>\$8.49</b>
2011	\$9.47	\$9.89	\$5.74	<b>\$7.15</b>

COMINAR REAL ESTATE INVESTMENT TRUST

Units and Options Outstanding

**Units Outstanding**

Units outstanding - opening Balance December 31, 2005	32,940,735
Units issued under Distribution Reinvestment Plan	52,060
Units issued from Conversion of Convertible Debentures	2,836,417
Units issued from Options exercised	<u>386,050</u>
<b>Units outstanding - closing balance September 30, 2006</b>	<b>36,215,262</b>

**Options Activity**

	Options	Weighted-average exercise price per unit (\$)
Options outstanding - opening balance December 31, 2005	2,354,050	14.29
Exercised	(386,050)	14.25
Granted	670,000	18.90
Cancelled	(379,000)	15.62
Options outstanding - closing balance September 30, 2006	2,259,000	15.44
Options exercisable, end of period	105,000	13.82

**CUF.UN Trading Statistics - Toronto Stock Exchange**

	<b>Q3/06</b>	<b>Q2/06</b>	<b>Q1/06</b>	<b>Q4/05</b>	<b>Q3/05</b>
High	\$21.25	\$20.34	\$20.28	\$19.80	\$19.70
Low	\$18.98	\$18.90	\$18.90	\$17.45	\$18.40
<b>Close</b>	<b>\$20.80</b>	<b>\$19.36</b>	<b>\$20.19</b>	<b>\$19.27</b>	<b>\$19.41</b>
Volume ( 000 )	3,357	3,025	3,035	2,699	2,824
<b>Distributions per Unit</b>	<b>\$0,306</b>	<b>\$0,306</b>	<b>\$0,302</b>	<b>\$0,310</b>	<b>\$0,300</b>

**CUF.DB Trading Statistics - Toronto Stock Exchange**

	<b>Q3/06</b>	<b>Q2/06</b>	<b>Q1/06</b>	<b>Q4/05</b>	<b>Q3/05</b>
High	\$121.20	\$116.00	\$115.99	\$113.00	\$113.00
Low	\$108.82	\$108.00	\$107.06	\$103.50	\$104.07
<b>Close</b>	<b>\$119.42</b>	<b>\$110.26</b>	<b>\$115.99</b>	<b>\$111.00</b>	<b>\$112.73</b>
Volume ( 000 )	14,961	5,030	4,567	9,429	8,180

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Source: Toronto Stock Exchange

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