



## PRESS RELEASE

For Immediate Release

# Increase in Results at Cominar

Québec City, November 7, 2013 — Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) (TSX: CUF.UN) announced today its results for the third quarter of fiscal year 2013.

### Highlights for the Quarter

- Increased net income by 83.3%
- Increased recurring distributable income by 16.4%
- Increased operating revenues by 14.9%
- Redeemed all our outstanding convertible debentures, bearing interest at 5.80% and totalling \$110.0 million
- Issued \$100.0 million in unsecured debentures, bearing interest at 4.941% and maturing in July 2020 to repay its credit facility

### Subsequent Event after September 30, 2013

- Issued \$250 million worth of floating rate senior unsecured debentures, maturing in October 2015, to repay its credit facility

“Results continue to show good progress, which is totally consistent with our objective to grow in a disciplined and orderly fashion, quarter after quarter. It is interesting to note that recurring adjusted funds from operations grew 16.6%, which represents an increase of 8.1% per unit,” stated Michel Dallaire, President and Chief Executive Officer of Cominar.

“We are continuing our various initiatives that aim to optimize cost control, customer service, and the overall occupancy rate of our properties. In addition, the quality of our assets, our expertise in financial and operational management and our high customer service standards are strengths that get our utmost attention. They allow us to continue to grow within the Canadian market while adhering to our main criteria, i.e., the long-term profitability of our assets and the creation of value for our unitholders,” concluded Mr. Dallaire.

### PRESENTATION OF RESULTS

For the quarter ended September 30, 2013, Cominar’s **operating income** totalled \$161.5 million, up 14.9% over the corresponding period in 2012, when it totalled \$140.5 million. This increase is mainly due to the contribution of the acquisitions made in 2012 and 2013.

**Net operating income** reached \$93.3 million, up 14.4% compared to \$81.6 million in the third quarter of 2012.

**Net income** grew to \$58.3 million, an increase of 83.3% over the result obtained during the same period last year, which was \$31.8 million. **Diluted net income per unit** stood at \$0.46, up 70.4%, compared to the diluted net income per unit obtained during the same period last year, which was \$0.27.

**Recurring distributable income** amounted to \$51.4 million, up 16.4% compared to the corresponding period in 2012. **Recurring distributable income per unit** was \$0.41 for the third quarter of 2013, compared to \$0.38 for the corresponding quarter of 2012, up 7.9%.

**Recurring funds from operations** for the third quarter of 2013 reached \$57.2 million, up 11.0% over the corresponding period of 2012, when they totalled \$51.5 million. **Recurring funds from operations per unit (fully diluted)** stood at \$0.45, compared to \$0.43 for the period ending September 30, 2012, representing an increase of 4.7%.

**Recurring adjusted funds from operations** for the third quarter of 2013 amounted to \$50.6 million, up 16.6%. Per unit (fully diluted), they stood at \$0.40, up 8.1%.

In the second quarter of 2013, Cominar's **distributions** to unitholders totalled \$45.9 million, compared to \$43.6 million in the corresponding quarter of 2012, representing an increase of 5.2%. The monthly distribution per unit remained stable at \$0.12.

## FINANCIAL SITUATION

As at September 30, 2013, Cominar's **debt ratio** was 50.9%, which represents a decrease compared to September 30, 2012, when it stood at 51.7%. **Annualized interest coverage ratio** remained conservative at 2.81:1, up compared to the same period in 2012, when it was 2.66:1, and the **weighted average interest rate of debt** stood at 4.9%, compared to 5.1% as at September 30, 2012. As at September 30, 2013, **total assets** amounted to \$5,885 million, compared to \$5,440 million as at September 30, 2012, representing an increase of 8.2%.

## OPERATIONAL HIGHLIGHTS

### Leasing Activities

As at September 30, 2013, the occupancy rate of Cominar's properties stood at 93.3%. Cominar renewed 50.3% of leases maturing in 2013 with an average rent increase of 7.9% overall and signed new leases representing an area of 1.0 million square feet.

### Financing Activities

- On July 8, 2013, Cominar redeemed all its then outstanding Series C convertible debentures, bearing an interest rate of 5.80% and totalling \$110.0 million.
- On July 22, 2013, Cominar issued \$100.0 million worth of Series 4 senior unsecured debentures, bearing an interest rate of 4.941% and maturing in July 2020. Cominar allocated the net proceeds of \$99.4 million to repaying its credit facility.
- On August 14, 2013, Cominar filed a short form base shelf prospectus with the securities regulatory authorities in each of the provinces and territories of Canada. This will enable Cominar to offer for sale and issue trust units, unsecured debt securities (including, without limitation, senior unsecured debentures and convertible unsecured subordinated debentures), warrants and subscription receipts of Cominar, units comprising any of the foregoing or any combination thereof. These securities, whose offer price could attain up to \$1 billion in the aggregate, can be

issued from time to time during the 25 month period during which the base shelf prospectus remains valid.

- On October 7, 2013, subsequent to quarter-end, Cominar issued \$250 million worth of Series 5 senior unsecured debentures bearing an annual interest rate equal to the three-month CDOR plus 205 basis points and maturing in October 2015. The interest rate for the period from October 10, 2013, to January 9, 2014, has been fixed at 3.325%. The net proceeds of this transaction, which amounted to \$249.3 million, were allocated to the repayment of Cominar's credit facility.

## **ADDITIONAL FINANCIAL INFORMATION**

Cominar's condensed interim consolidated financial statements and management's discussion and analysis for the quarter ended September 30, 2013, will be filed with SEDAR at [www.sedar.com](http://www.sedar.com) and will be available on Cominar's website at [www.cominar.com](http://www.cominar.com).

## **CONFERENCE CALL — NOVEMBER 7, 2013**

On **Thursday, November 7, 2013, at 11 a.m.** (ET), Cominar's management will hold a conference call to present the results for the third quarter of 2013. Anyone who is interested may take part in this call by dialing **1.888.231.8191**. A presentation regarding these results will be available before the conference call on the REIT's website at [www.cominar.com](http://www.cominar.com), under the Conference Call header. In addition, a taped re-broadcast of the conference call will be available from Thursday, November 7, 2013, at 2 p.m. to Thursday, November 14, 2013 at 11:59 p.m., by dialing **1.855.859.2056** followed by this code: **89076852**.

## **DISTRIBUTIONS REINVESTMENT PLAN**

Cominar offers unitholders the opportunity to participate in its Unitholder Distribution Reinvestment Plan, which allows them to reinvest their monthly distributions in additional Cominar units. Participants will be entitled to receive an additional distribution equal to 5% of the distributions reinvested, which will be reinvested in additional units. For more information and to obtain a participation form, please visit Cominar's website at [www.cominar.com](http://www.cominar.com).

## **PROFILE AS AT NOVEMBER 7, 2013**

Cominar is the third largest diversified real estate investment trust in Canada and currently remains the largest commercial property owner in the Province of Québec. The REIT owns a real estate portfolio of 493 properties in three different market segments, that is, office buildings, retail buildings and industrial and mixed-use buildings. Cominar's portfolio totals 36.8 million square feet spread out across Québec, Ontario, the Atlantic Provinces and Western Canada. Cominar's objectives are to pay growing cash distributions to unitholders and to maximize unitholder value through proactive management and the expansion of its portfolio.

## FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements with respect to Cominar and its operations, strategy, financial performance and financial condition. These statements generally can be identified by the use of forward-looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intend”, “believe” or “continue” or the negative thereof or similar variations. 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 Cominar’s Annual Information Form. 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 press release. Cominar does not assume any obligation to update the aforementioned forward-looking statements, except as required by applicable laws.

## NON-IFRS MEASURES

Net operating income, recurring distributable income (DI), recurring funds from operations (FFO) and recurring adjusted funds from operations (AFFO) are not measures recognized by International Financial Reporting Standards (“IFRS”) and do not have standardized meanings prescribed by IFRS. Such measures may differ from similar computations as reported by similar entities and, accordingly, may not be comparable to similar measures reported by such other entities. Cominar’s Interim Management’s Discussion and Analysis for the second quarter ended September 30, 2013, presents the reconciliation of DI, FFO and AFFO with the most similar IFRS measures:

Quarters ended September 30	2013	2012	Δ%	2013	2012	Δ%
	(\$000)	(\$000)		(\$ per unit)	(\$ per unit)	
Recurring DI	51,369	44,126	16.4	0.41 <sup>(1)</sup>	0.38	7.9
Distributions	45,886	43,598	5.2	0.36	0.36	—
Recurring FFO	57,193	51,508	11.0	0.45 <sup>(2)</sup>	0.43	4.7
Recurring AFFO	50,593	43,375	16.6	0.40 <sup>(2)</sup>	0.37	8.1

(1) Basic

(2) Fully diluted

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### For information:

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