

# Press Release

## Cominar Real Estate Investment Trust

### Q3 2009 Operating Revenues and Net Income Growth

TSX - CUF.UN

Québec City, November 12, 2009 — Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) pursued its operating growth in the third quarter ended September 30, 2009.

#### Third Quarter of Fiscal 2009 Highlights:

- **Increase of 11.4% in operating revenues**
- **Increase of 8.8% in net operating income**
- **Increase of 12.3% in net income**
- **Increase of 8.7% in distributable income**
- **Increase of 11.2% in funds from operations**
- **Increase of 19.1% in distributions**
  
- **Offering of units and convertible debentures for total proceeds of \$173 million**

“We are very pleased with our portfolio’s performance, which was achieved in a context of a major economic slowdown. The REIT was able to post solid results thanks to the quality and segmented and geographic diversification of our portfolio, and we remain optimistic considering the resilience of the Québec economy to the downturn, especially in the Greater Québec City Area where we retain a dominant position. We continue to efficiently and prudently manage our operations and are confident we will pursue our growth considering our development projects, land held for future development and our financial health which positions us as a leader in the Québec real estate market,” indicated Michel Dallaire, President and Chief Executive Officer of Cominar.

**Operating revenues** totalled \$63.1 million for the third quarter ended September 30, 2009, up 11.4%. **Net operating income** amounted to \$39.3 million, up 8.8% over the third quarter of 2008. This increase is due mainly to the contribution of the office and industrial and mixed-use property acquisitions and developments completed in 2008 and 2009.

**Net income** amounted to \$8.9 million, up 12.3% over the third quarter of 2008. **Net income per unit** stood at \$0.16, compared with \$0.17 for the corresponding quarter of 2008. **Distributable income** totalled \$21.6 million, up 8.7% over the third quarter of 2008. **Recurring distributable income per fully diluted unit** amounted to \$0.39, compared with \$0.42 for the corresponding quarter of 2008.

**Recurring funds from operations** totalled \$25.0 million, up 11.2% over the third quarter of 2008, reflecting the contribution of the acquisitions and developments completed in 2008 and 2009 and the 0.9% growth in same property net operating income. **Recurring adjusted funds from operations** per fully diluted unit to \$0.38, compared with \$0.41 for the third quarter of 2008. The decline in third-quarter results per unit is due primarily to the dilutive effect of the unit offerings completed in 2009.

### **Financial Position**

During the third quarter of 2009, Cominar completed a unit offering for proceeds of \$57.5 million, thereby lowering Cominar's debt to gross book value to 58.1% as at September 30, 2009. On September 22, 2009, Cominar closed a \$115.0 million offering of convertible debentures bearing interest at 6.50% per annum and maturing on September 30, 2016. The net proceeds from these offerings enable Cominar to reduce current credit facilities used to finance acquisitions and development projects. Consequently, these two financing agreements yielded more than \$216 million in liquidity as at September 30, 2009.

### **Occupancy Rate of Portfolio Properties**

In the third quarter, the occupancy rates of Cominar's office and retail properties stood at 94.3% and 96.9% respectively, compared with 94.5% and 97.1% as at December 31, 2008, whereas the occupancy of its industrial and mixed-use properties was 92.8%, down from 94.0% as at December 31, 2008. As at September 30, 2009, the portfolio occupancy rate stood at 93.8%. At the end of the third quarter, the leasing team had renewed 59.4% of leases expiring in 2009 and signed new leases representing 0.5 million square feet of leasable space.

"We were pleased to maintain such a high occupancy rate considering the challenging conditions prevailing in the Montreal region during this crisis," concluded Michel Dallaire.

### **Additional Financial Information**

Cominar's interim consolidated financial statements and the management's discussion and analysis for the third quarter and nine-month period ended September 30, 2009 will be filed with SEDAR at [www.sedar.com](http://www.sedar.com) and are available on Cominar's website at [www.cominar.com](http://www.cominar.com).

### **Conference Call on November 12, 2009 at 11:30 A.M. (EST)**

On Thursday, November 12, 2009 at 11:30 a.m. (EST), Cominar's management will hold a conference call to discuss the results for the third quarter of 2009. Anyone who is interested may take part in this call by dialing 1 (800) 587-1893. A presentation of the results will be available before the conference call on the REIT's website at [www.cominar.com](http://www.cominar.com) under the title "Conference Call". The event will also be simultaneously webcast on Cominar's website and archived for 90 days.

### **PROFILE as at November 12, 2009**

Cominar is the largest commercial property owner in the Province of Québec. The REIT owns a real estate portfolio of 215 high-quality properties, consisting of 38 office, 38 retail and 139 industrial and mixed-use buildings that cover a total area of over 18.5 million square feet in the Greater Québec City, Montréal and Ottawa areas. Cominar's objectives are to deliver growing cash distributions to its unitholders and to maximize unitholder value through proactive management and the growth 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 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 press release.*

## **Non-GAAP Financial Measures**

*Net operating income (NOI), distributable income (DI), funds from operations (FFO) and adjusted funds from operations (AFFO) are not measures recognized under Canadian generally accepted accounting principles (GAAP) and do not have standardized meanings prescribed by GAAP. NOI, DI, FFO and AFFO computed by Cominar may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to similar measures reported by such organizations. The following table shows the reconciliation of DI, FFO and AFFO with the most similar GAAP measures:*

Quarters ended September 30	2009			2008		
	DI	FFO	AFFO	DI	FFO	AFFO
Net income (PCGR)	8,860	8,860	8,860	7,887	7,887	7,887
+ Amortization of income properties	13,609	13,609	13,609	12,587	12,587	12,587
+ Amortization of capitalized leasing costs	—	2,498	2,498	—	1,980	1,980
- Amortization of below-market leases	(193)	—	(193)	(131)	—	(131)
+ Compensation expenses related to unit option plan	109	—	109	176	—	176
+ Accretion of liability component of convertible debentures	10	—	—	10	—	—
- Rental income – straight-line accounting for leases	(729)	—	(729)	(595)	—	(595)
- Amortization of fair value adjustments on assumed indebtedness	(30)	—	—	(32)	—	—
- Amortization of capitalized leasing costs	—	—	(2,498)	—	—	(1,980)
- Capital expenditures – maintenance of ability to generate rental income	—	—	(596)	—	—	(651)
	<b>21,636</b>	<b>24,967</b>	<b>21,060</b>	19,902	22,454	19,273

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For information:

**Michel Dallaire, P.Eng.**, President and Chief Executive Officer

**Michel Berthelot, CA**, Executive Vice President and Chief Financial Officer

**Tel: (418) 681-8151**

[mdallaire@cominar.com](mailto:mdallaire@cominar.com)

[mberthelot@cominar.com](mailto:mberthelot@cominar.com)