



PRESS RELEASE

For Immediate Release

Sylvain Cossette Becomes President and Chief Executive Officer of Cominar

Québec, November 10, 2017 – Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) (TSX: CUF.UN) announced today its results for the third quarter of fiscal 2017.

Highlights for the Quarter Ended September 30, 2017

- Reduction in the target debt ratio to 48%
- Announcement of the plan to sell \$1.2 billion in assets

“We are pleased by the appointment of Sylvain Cossette, effective January 1, 2018, as the new CEO of Cominar; his extensive experience in real estate and with Cominar makes him the best person to ensure the continuity of our company”, said Michel Dallaire, Chairman of the Board of Trustees and outgoing Chief Executive Officer of Cominar.

“We have decided to refocus our activities on our core markets being the Province of Quebec and the Ottawa region. The disposition of \$1.2 billion in assets outside these markets will allow us to reduce our debt ratio and to finance our repurchase of units under a normal course issuer bid program”, added Mr. Dallaire.

“To complete our asset disposition program, we have retained RBC Capital Markets Realty and CBRE, two reputable firms that will work together to achieve the best possible value for these assets”, added Sylvain Cossette, President and Chief Operating Officer of Cominar.

PRESENTATION OF RESULTS

Net operating income⁽¹⁾ was \$110.2 million compared to \$124.6 million for the corresponding period of 2016, up \$0.7 million from the previous quarter.

Net income for the third quarter of 2017 was \$64.0 million compared to \$77.5 million for the corresponding period of 2016.

The decrease in net operating income and in net income for the quarter compared to the corresponding period of 2016 is primarily due to the non-recurring net proceeds of \$10.7 million obtained in 2016 from the settlement of the claim against Target and to the disposition of income properties completed in 2016 and 2017.

Recurring funds from operations⁽¹⁾ for the third quarter of 2017 was \$65.3 million, compared to \$68.5 million for the corresponding period of 2016 and \$64.9 million for the previous quarter. Fully

(1) Non-IFRS financial measure. See the reconciliation to closest IFRS measure.

diluted recurring funds from operations per unit⁽¹⁾ amounted to \$0.35 for the third quarter of 2017 and remained stable compared to the previous quarter.

Recurring adjusted funds from operations⁽¹⁾ for the third quarter of 2017 was \$55.4 million compared to \$58.8 million for the corresponding period of 2016. Fully diluted per unit, it amounted to \$0.30 for the third quarter of 2017.

Recurring adjusted cash flows from operations⁽¹⁾ for the third quarter of 2017 was \$54.9 million, up \$0.7 million compared to \$54.2 million for the corresponding period of 2016. Fully diluted per unit, they amounted to \$0.30 for the third quarter of 2017.

For the third quarter of 2017, recurring funds from operations as well as recurring adjusted funds from operations decreased compared to the corresponding period of 2016, due to the dispositions of income properties completed in 2016 and 2017.

FINANCIAL SITUATION

As at September 30, 2017, Cominar's debt ratio stood at 52.6%, compared to 52.4% as at December 31, 2016. At the end of the third quarter of 2017, total assets reached \$8.4 billion and unencumbered income properties amounted to \$3.6 billion.

LEASING ACTIVITY

During the first nine months of 2017, our leasing efforts allowed us to renew 59.2% of the total leasable area expiring during fiscal 2017, totalling 4.8 million square feet, and to sign new leases for 2.8 million square feet, overall representing 93.5% of the total leasable area maturing in 2017.

Occupancy rate was 92.2% as at September 30, 2017, compared to 92.4% as at December 31, 2016.

(1) Non-IFRS financial measure. See the reconciliation to closest IFRS measure.

RESULTS OF OPERATIONS

For the periods ended September 30	Quarter			Year-to-date (nine months)		
	2017 (\$000)	2016 (\$000)	% Δ	2017 (\$000)	2016 (\$000)	% Δ
Operating revenues	204,160	217,946	(6.3)	628,071	656,632	(4.3)
Operating expenses	(93,980)	(93,377)	0.6	(302,521)	(302,324)	0.1
Net operating income ⁽¹⁾	110,180	124,569	(11.6)	325,550	354,308	(8.1)
Finance charges	(41,860)	(43,243)	(3.2)	(125,913)	(128,163)	(1.8)
Trust administrative expenses	(5,160)	(4,252)	21.4	(14,569)	(12,229)	19.1
Share of joint ventures' net income	1,064	799	33.2	5,168	2,211	133.7
Income taxes	(243)	(344)	(29.4)	(705)	(730)	(3.4)
Net income	63,981	77,529	(17.5)	189,531	215,397	(12.0)

(1) Non-IFRS financial measure.

NON-IFRS FINANCIAL MEASURES

Net operating income, funds from operations (FFO), adjusted funds from operations (AFFO) and adjusted cash flows from operations (ACFO) 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.

FUNDS FROM OPERATIONS (FFO) AND ADJUSTED FUNDS FROM OPERATIONS (AFFO)

The following table presents a reconciliation of net income, as determined in accordance with IFRS, and recurring funds from operations and recurring adjusted funds from operations:

For the periods ended September 30	Quarter		Year-to-date (nine months)	
	2017 (\$000)	2016 (\$000)	2017 (\$000)	2016 (\$000)
Net income	63,981	77,529	189,531	215,397
+ Deferred income taxes	243	344	705	730
+ Initial and re-leasing salary costs	868	862	2,650	2,298
- Change in fair value of investment properties – Cominar’s proportionate share	-	-	(2,284)	-
+ Capitalizable interest on properties under development – joint ventures	195	500	595	1,446
Funds from operations ⁽¹⁾⁽²⁾	65,287	79,235	191,197	219,871
Non-recurring item				
- Other income – non-recurring ⁽²⁾	-	(10,724)	-	(10,724)
Recurring funds from operations ⁽¹⁾⁽²⁾	65,287	68,511	191,197	209,147
- Provision for leasing costs	(6,650)	(6,100)	(19,237)	(17,700)
- Recognition of leases on a straight-line basis ⁽¹⁾	(1,098)	(1,583)	(2,473)	(3,238)
- Capital expenditures – maintenance of rental income generating capacity	(2,125)	(2,045)	(5,288)	(5,484)
Recurring adjusted funds from operations ⁽¹⁾⁽²⁾	55,414	58,783	164,199	182,725

(1) Including Cominar’s proportionate share in joint ventures.

(2) Non-IFRS financial measure.

(3) In 2016, net proceeds of \$10.7 million were obtained in settlement of the claim against Target Canada.

ADJUSTED CASH FLOWS FROM OPERATIONS (ACFO)

The following table presents a reconciliation between the cash flows provided by operating activities as per the condensed interim consolidated financial statements and the recurring adjusted cash flows from operations:

For the periods ended September 30	Quarter		Year-to-date (nine months)	
	2017 (\$000)	2016 (\$000)	2017 (\$000)	2016 (\$000)
Cash flows provided by operating activities as per the condensed interim consolidated financial statements	100,702	120,213	151,754	182,059
+ Adjustments – investments in joint ventures ⁽¹⁾	1,067	798	2,582	2,083
- Provision for leasing costs	(6,650)	(6,100)	(19,237)	(17,700)
+ Initial and re-leasing salary costs	868	862	2,650	2,298
+ Changes in non-cash working capital items	(39,876)	(50,143)	29,458	28,663
- Capital expenditures – maintenance of rental income generating capacity	(2,125)	(2,045)	(5,288)	(5,484)
- Amortization of deferred financing costs and others	(640)	(727)	(2,127)	(2,289)
+ Amortization of fair value adjustments on assumed mortgages payable	1,383	1,547	4,192	5,033
+ Capitalizable interest on properties under development – joint ventures	195	500	595	1,446
Adjusted cash flows from operations ⁽⁴⁾	54,924	64,905	164,579	196,109
- Other income – non-recurring ⁽³⁾	-	(10,724)	-	(10,724)
Recurring adjusted cash flows from operations ⁽⁴⁾	54,924	54,181	164,579	185,385
Payout ratio ⁽²⁾	104.2%	114.8%	117.7%	101.1%
Cash flows payout ratio ⁽²⁾⁽³⁾	93.5%	106.9%	93.5%	98.8%

(1) Including Cominar's proportionate share in joint ventures.

(2) Fully diluted.

(3) The cash flows payout ratio corresponds to the cash distribution per unit divided by the fully diluted recurring adjusted cash flows from operations per unit.

(4) Non-IFRS financial measure.

(5) In 2016, net proceeds of \$10.7 million were obtained in settlement of the claim against Target Canada.

ADDITIONAL FINANCIAL INFORMATION

Cominar's condensed interim consolidated financial statements and interim management's discussion and analysis for the third quarter ended September 30, 2017, will be filed with SEDAR at www.sedar.com and will be available on Cominar's website at www.cominar.com.

CONFERENCE CALL ON NOVEMBER 10, 2017

On Friday, November 10, 2017 at 11 a.m. (ET), Cominar's management will hold a conference call to present the results for the third quarter ended September 30, 2017. Anyone who is interested may take part in this call by dialing 1 888 390-0546. A presentation regarding these results will be available before the conference call on the REIT's website at www.cominar.com, under the Conference Call header. In addition, a taped rebroadcast of the conference call will be available from Friday, November 10, 2017 at 2 p.m. to Friday, November 24, 2017 at 11:59 p.m., by dialing 1 888 390-0541 followed by this code: 166684#.

PROFILE AS AT NOVEMBER 10, 2017

Cominar is the third largest diversified real estate investment trust in Canada and currently remains the largest commercial property owner in the Province of Quebec. The REIT owns a real estate portfolio of 523 properties in three different market segments, that is, office properties, retail properties and industrial and mixed-use properties. Cominar's portfolio totals 44.1 million square feet spread out across Quebec, 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.

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