



## PRESS RELEASE

For Immediate Release

# Cominar Still Progresses

Québec, November 5, 2015 — Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) (TSX: CUF.UN) announced today its results for the third quarter of fiscal year 2015.

### Highlights for the Quarter Ended September 30, 2015

- Increased net operating income<sup>(1)</sup> of 25.6%
- Disposition of income properties for a purchase price of \$98.0M
- Decreased debt ratio to 53.8%
- Redemption of convertible debentures totalling \$186.0M and bearing interest at 6.15%

“The important acquisitions completed during 2014 continue to contribute to the significant growth of our results for the third quarter of 2015. In addition, we completed the sale of two office properties and one industrial and mixed-use property for a total purchase price of \$98.0 million. The proceeds from the sale of these properties were used to reduce our debt ratio to 53.8%, in line with our related strategy,” said Michel Dallaire, President and Chief Executive Officer of Cominar.

“During the quarter, we redeemed early all of our two remaining series of convertible debentures totalling \$186.0 million and bearing interest at a weighted average rate of 6.15%. These redemptions will result in significant interest savings in the future and in the removal of the dilution arising from these convertible debentures, the full effect of which will be felt in the coming quarters,” said Gilles Hamel, Executive Vice President and Chief Financial Officer of Cominar.

### PRESENTATION OF RESULTS

For the quarter ended September 30, 2015, **operating revenues** increased to \$217.9 million, up 27.3% over the comparable period in 2014 when operating revenues were \$171.3 million.

**Net operating income**<sup>(1)</sup> reached \$122.9 million, up 25.6% compared to net operating income in the third quarter of 2014.

**Net income** for the quarter increased to \$74.0 million compared to \$39.0 million in the third quarter of 2014.

**Cash flows provided by operating activities** reached \$100.6 million in the third quarter of 2015 compared to \$48.4 million in 2014.

**Recurring distributable income**<sup>(1)</sup> reached \$67.2 million, up 25.5% over the third quarter of 2014. The **basic recurring distributable income per unit**<sup>(1)</sup> amounted to \$0.40 for the third quarter of 2015.

**Recurring funds from operations**<sup>(1)</sup> for the third quarter of 2015 reached \$75.9 million, up 23.0% compared to the third quarter of 2014. **Recurring funds from operations per unit fully diluted**<sup>(1)</sup> amounted to \$0.45 in the third quarter of 2015.

**Recurring adjusted funds from operations**<sup>(1)</sup> for the third quarter of 2015 reached \$65.4 million, up 25.0% compared to the same quarter of 2014. Fully diluted per unit, they amounted to \$0.39 in the third quarter of 2015.

(1) Non-IFRS financial measure. See relevant section for definition and reconciliation to closest IFRS measure.

## FINANCIAL SITUATION

As at September 30, 2015, Cominar's **debt ratio** decreased to 53.8%, down from 56.1% as at December 31, 2014. At the end of the third quarter of 2015, **total assets** reached \$8.2 billion.

## DISPOSITIONS

On September 30, 2015, Cominar announced that it completed the sale of one industrial and mixed-used property and two office properties located in Montréal, for a total purchase price of \$98.0 million.

## SUBSEQUENT EVENT AFTER SEPTEMBER 30, 2015

On October 9, 2015, Cominar redeemed at maturity the floating interest rate senior unsecured debentures \$250,0 million Series 5 using the unsecured revolving operating and acquisition credit facility.

## RESULTS OF OPERATIONS

| For the periods ended September 30       | Quarter  |          |         | Year-to-date (nine months) |           |         |
|--|----------|----------|---------|----------------------------|-----------|---------|
|  | 2015     | 2014     | % Δ     | 2015                       | 2014      | % Δ     |
|  | (\$000)  | (\$000)  |         | (\$000)                    | (\$000)   |         |
| Operating revenues                       | 217,946  | 171,262  | 27.3    | 672,126                    | 522,392   | 28.7    |
| Operating expenses                       | 95,092   | 73,470   | 29.4    | 307,413                    | 236,548   | 30.0    |
| Net operating income <sup>(1)</sup>      | 122,854  | 97,792   | 25.6    | 364,713                    | 285,844   | 27.6    |
| Finance charges                          | (45,420) | (34,949) | 30.0    | (134,556)                  | (102,983) | 30.7    |
| Trust administrative expenses            | (3,919)  | (2,888)  | 35.7    | (12,246)                   | (9,254)   | 32.3    |
| Transaction costs – business combination | —        | (21,524) | (100.0) | —                          | (21,524)  | (100.0) |
| Share of joint ventures' net income      | 572      | 707      | (19.1)  | 1,826                      | 1,995     | (8.5)   |
| Income taxes                             | (92)     | (141)    | (34.8)  | (303)                      | (452)     | (33.0)  |
| Net income                               | 73,995   | 38,997   | 89.7    | 219,434                    | 153,626   | 42.8    |

(1) Non-IFRS financial measure. See relevant section for definition and reconciliation to closest IFRS measure.

## NON-IFRS FINANCIAL MEASURES

Net operating income, recurring distributable income (DI), recurring funds from operations (FFO), recurring adjusted funds from operations (AFFO) and investments in joint ventures adjustments 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.

| For the quarters ended September 30                     | 2015    | 2014    | % Δ  | 2015                | 2014                | % Δ   |
|---|---------|---------|------|---------------------|---------------------|-------|
|   | (\$000) | (\$000) |      | (\$ per unit)       | (\$ per unit)       |       |
| Net operating income <sup>(1)</sup>                     | 122,854 | 97,792  | 25.6 |                     |                     |       |
| Recurring distributable income <sup>(1)</sup>           | 67,229  | 53,579  | 25.5 | 0.40 <sup>(2)</sup> | 0.41 <sup>(2)</sup> | (2.4) |
| Recurring funds from operations <sup>(1)</sup>          | 75,900  | 61,713  | 23.0 | 0.45 <sup>(3)</sup> | 0.47 <sup>(3)</sup> | (4.3) |
| Recurring adjusted funds from operations <sup>(1)</sup> | 65,429  | 52,331  | 25.0 | 0.39 <sup>(3)</sup> | 0.40 <sup>(3)</sup> | (2.5) |

(2) basic

(3) fully diluted

The following table presents a reconciliation of cash flows provided by operating activities to recurring distributable income and recurring adjusted funds from operations:

| For the periods ended September 30   | Quarter        |          | Year-to-date (nine months) |          |
|--|----------------|----------|----------------------------|----------|
|  | 2015           | 2014     | 2015                       | 2014     |
|  | (\$000)        | (\$000)  | (\$000)                    | (\$000)  |
| <b>Cash flows provided by operating activities as shown in the condensed interim consolidated financial statements</b> | <b>100,635</b> | 48,436   | <b>156,263</b>             | 118,764  |
| + Adjustments - investments in joint ventures  | 590            | 177      | 1,574                      | 1,114    |
| - Amortization of other assets   | (213)          | (229)    | (675)                      | (641)    |
| + Transaction costs – business combination   | —              | 21,524   | —                          | 21,524   |
| - Provision for leasing costs  | (5,800)        | (4,850)  | (17,200)                   | (14,050) |
| + Initial and re-leasing salary costs  | 711            | 550      | 2,102                      | 1,618    |
| + Change in non-cash working capital items   | (28,694)       | (12,029) | 56,316                     | 26,310   |
| <b>Recurring distributable income <sup>(1)</sup></b>   | <b>67,229</b>  | 53,579   | <b>198,380</b>             | 154,639  |
| - Capital expenditures – maintenance of rental income generating capacity  | (1,800)        | (1,248)  | (4,724)                    | (2,817)  |
| <b>Recurring adjusted funds from operations <sup>(1)</sup></b>   | <b>65,429</b>  | 52,331   | <b>193,656</b>             | 151,822  |

(1) Non-IFRS financial measure. See relevant section for definition and reconciliation to closest IFRS measure.

The following table presents a reconciliation of the cash flows from operating activities with funds from recurring operations:

| For the periods ended September 30   | Quarter        |          | Year-to-date (nine months) |         |
|--|----------------|----------|----------------------------|---------|
|  | 2015           | 2014     | 2015                       | 2014    |
|  | (\$000)        | (\$000)  | (\$000)                    | (\$000) |
| <b>Cash flows provided by operating activities as shown in the condensed interim consolidated financial statements</b> | <b>100,635</b> | 48,436   | <b>156,263</b>             | 118,764 |
| - Adjustments – investments in joint ventures  | (1)            | (40)     | (77)                       | (146)   |
| + Amortization   | 163            | 1,336    | 1,399                      | 5,135   |
| - Compensation expense related to long-term incentive plan   | (491)          | (299)    | (1,484)                    | (1,037) |
| + Recognition of leases on straight-line basis   | 1,903          | 1,502    | 5,694                      | 3,782   |
| + Excess of proportionate share of net income over distributions received from the joint ventures                      | 572            | 232      | 1,626                      | 1,270   |
| + Transaction costs – business combination   | —              | 21,524   | —                          | 21,524  |
| + Write-off of deferred financing costs  | 1,102          | 501      | 2,232                      | 501     |
| + Initial and re-leasing salary costs  | 711            | 550      | 2,102                      | 1,618   |
| + Change in non-cash working capital items   | (28,694)       | (12,029) | 56,316                     | 26,310  |
| <b>Recurring funds from operations <sup>(1)</sup></b>  | <b>75,900</b>  | 61,713   | <b>224,071</b>             | 177,721 |

## ADDITIONAL FINANCIAL INFORMATION

Cominar's condensed interim consolidated financial statements and interim management's discussion and analysis for the third quarter ended September 30, 2015, 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 ON NOVEMBER 5, 2015

On **Thursday, November 5, 2015 at 11 a.m.** (ET), Cominar's management will hold a conference call to present the results for the third quarter of 2015. Anyone who is interested may take part in this call by dialing **1 888 390-0605**. 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 rebroadcast of the conference call will be available from Thursday, November 5, 2015 at 2 p.m. to Thursday, November 12, 2015 at 11:59 p.m., by dialing **1 888 390-0541** followed by this code: **432732 #**.

## DISTRIBUTION REINVESTMENT PLAN

Cominar offers unitholders the opportunity to participate in its Unitholder Distribution Reinvestment Plan, which allows them to receive their monthly cash distributions as additional Cominar units. Participants will be entitled to receive an additional distribution equal to 3% 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 5, 2015

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 564 properties in three different market segments, that is, office properties, retail properties and industrial and mixed-use properties. Cominar's portfolio totals 45.3 million square feet spread out across Quebec,

(1) Non-IFRS financial measure. See relevant section for definition and reconciliation to closest IFRS measure.

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.*

### **For information:**

Michel Dallaire, Eng., President and Chief Executive Officer  
Gilles Hamel, CPA, CA, Executive Vice President and Chief Financial Officer  
Tel: (418) 681-8151  
[michel.dallaire@cominar.com](mailto:michel.dallaire@cominar.com)  
[gilles.hamel@cominar.com](mailto:gilles.hamel@cominar.com)