



## PRESS RELEASE

For Immediate Release

# Cominar Remains Focused

Québec, August 6, 2015 — Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) (TSX: CUF.UN) announced today its results for the second quarter of fiscal year 2015.

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

- Increased net operating income of 26.2%
- Closing of a public offering of debentures for \$300.0 M

### Subsequent Event after June 30, 2015

- Early redemption of the Series E convertible debentures totalling \$86.3 M and bearing interest at 5.75%

“The important acquisitions made in 2014 continue to contribute to the increase of our results for the second quarter of 2015. However, Target stores closure will have, for several quarters, a negative impact on our results. We are confident that the reorganization of these spaces, when completed, will bring a greater contribution than the one received from Target on these same spaces,” said Michel Dallaire, President and Chief Executive Officer of Cominar.

“The second quarter was also marked by the economic weakness affecting some of our clients. Organic growth in our same property portfolio was partially cancelled out by the increase in bad debts during the quarter and by the decrease in our occupancy rate. Our same property net operating income, which was increasing for four quarters, is down 0.8% for the second quarter of 2015 compared to the same period of 2014,” said Gilles Hamel, Executive Vice President and Chief Financial Officer of Cominar.

## PRESENTATION OF RESULTS

For the quarter ended June 30, 2015, **operating revenues** increased to \$224.8 million, up 26.7% over the comparable period in 2014 when operating revenues were \$177.5 million.

**Net operating income** reached \$122.8 million, up 26.2% compared to net operating income in the second quarter of 2014.

**Recurring distributable income** reached \$67.5 million, up 29.6% over the second quarter of 2014. The **basic recurring distributable income per unit** amounted to \$0.40 for the current quarter, down \$0.01 compared to the same period in 2014.

**Recurring funds from operations** for the second quarter of 2015 reached \$76.2 million, up 26.3% compared to the second quarter of 2014. **Recurring funds from operations per unit fully diluted** amounted to \$0.45, compared to \$0.47 in the corresponding quarter of 2014.

**Recurring adjusted funds from operations** for the second quarter of 2015 reached \$65.7 million, up 28.4% compared to the same quarter of 2014. Fully diluted per unit, they amounted to \$0.39, down \$0.01 compared to the same quarter of 2014.

## FINANCIAL SITUATION

As at June 30, 2015, Cominar had a **debt ratio** (excluding convertible debentures) of 52.3%, down from 53.9% as at December 31, 2014. At the end of the second quarter of 2015, **total assets** reached \$8.3 billion, up 28.9% compared to June 30, 2014.

## FINANCING ACTIVITIES

On June 1, 2015, Cominar closed a public offering of debentures for \$300.0 million bearing an interest rate of 4.164% and maturing in June 2022.

## ACQUISITION

On April 23, 2015, Cominar acquired a portfolio of 3 industrial properties of 697,000 square feet leasable area, located in the Greater Montréal area, for a purchase price of \$34.5 million paid in cash. The capitalization rate for this transaction is 8.1%.

## SUBSEQUENT EVENT AFTER JUNE 30, 2015

On July 6, 2015, Cominar redeemed early all of the Series E convertible debentures totalling \$86.3 million and bearing interest at 5.75%. This redemption will result in the next quarters in interest savings and in the elimination of the dilution arising from these convertible debentures.

## ADDITIONAL FINANCIAL INFORMATION

Cominar's condensed interim consolidated financial statements and interim management's discussion and analysis for the second quarter ended June 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 AUGUST 6, 2015

On **Thursday, August 6, 2015 at 11 a.m. (ET)**, Cominar's management will hold a conference call to present the results for the second quarter of 2015. 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](http://www.cominar.com), under the Conference Call header. In addition, a taped rebroadcast of the conference call will be available from Thursday, August 6, 2015 at 2 p.m. to Thursday, August 13, 2015 at 11:59 p.m., by dialing **1 888 390-0541** followed by this code: **479035 #**.

## 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 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 AUGUST 6, 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 567 properties in three different market segments, that is, office properties, retail properties and industrial and mixed-use properties. Cominar's portfolio totals 46.0 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.*

## **NON-IFRS MEASURES**

*Net operating income, recurring distributable income (DI), recurring funds from operations (FFO), recurring adjusted funds from operations (AFFO) and proportionate share 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. Cominar's Interim Management Discussion and Analysis for the quarter ended June 30, 2015, presents the reconciliation of DI, FFO and AFFO with the most similar IFRS measures:*

## NON-IFRS FINANCIAL MEASURES

For the quarters ended June 30	2015	2014	% Δ	2015	2014	% Δ
	(\$000)	(\$000)		(\$ per unit)	(\$ per unit)	
Net operating income	<b>122,793</b>	97,274	26.2			
Recurring distributable income	<b>67,454</b>	52,051	29.6	<b>0.40<sup>(1)</sup></b>	0.41 <sup>(1)</sup>	(2.4)
Distributions	<b>65,711</b>	51,172	28.4	<b>0.368</b>	0.360	2.1
Recurring funds from operations	<b>76,188</b>	60,308	26.3	<b>0.45<sup>(2)</sup></b>	0.47 <sup>(2)</sup>	(4.3)
Recurring adjusted funds from operations	<b>65,711</b>	51,172	28.4	<b>0.39<sup>(2)</sup></b>	0.40 <sup>(2)</sup>	(2.5)

(1) *basic*

(2) *fully diluted*

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