



## PRESS RELEASE

For Immediate Release

# Ever Higher Results and Cominar Increases its Distribution

Quebec City, August 7, 2014 — Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) (TSX: CUF.UN) announced today its results for the second quarter of fiscal year 2014.

### Highlights for the Quarter Ended June 30, 2014

- Increased net operating income by 7.4%
- Increased recurring funds from operations by 10.1%
- Increased recurring distributable income (basic) per unit by 5.1%
- Increased occupancy rate to 93.9%
- Invested \$100.7 million in acquisitions of investment properties (+ 1.2 million sq. ft.)

### Subsequent Events

- Replaced the secured credit facility of \$300.0 million by an unsecured credit facility of \$350.0 million at an interest rate reduced by 30 basis points.
- Increased monthly distributions from \$0.12 per unit to \$0.1225 per unit.

“For the second quarter of 2014, our results show solid growth, which reflects the contribution of recent acquisitions combined with operating performance of the quarter which, overall, has increased our recurring funds from operations by 10.1% and 9.3% per unit on a fully diluted basis compared to the same quarter of 2013”, said Michel Dallaire, President and Chief Executive Officer of Cominar.

“Our acquisitions combined with our leasing teams’ efforts on promoting organic growth in each of our markets resulted in an improved payout ratio which fell below our target set to 90% of distributable income, thereby justifying an increase of monthly distributions from \$0.12 to \$0.1225 per unit as of September 15, 2014”, added Michel Dallaire.

## PRESENTATION OF RESULTS

For the quarter ended June 30, 2014, **operating revenues** increased to \$179.6 million, up 7.0% over the corresponding period in 2013 when operating revenues were \$167.8 million.

**Net operating income** reached \$98.5 million, up 7.4% compared to net operating income in the second quarter of 2013.

**Recurring distributable income** reached \$52.1 million, up 7.4% over the second quarter of 2013. The **basic recurring distributable income per unit** amounted to \$0.41 for the quarter ended June 30, 2014, up 5.1% compared to the same period of 2013.

**Recurring funds from operations** for the second quarter of 2014 reached \$60.3 million, up 10.1% compared to the second quarter of 2013. **Recurring adjusted funds from operations per unit fully diluted** amounted to \$0.47 in the second quarter, up 9.3% from those of the same quarter of 2013.

**Recurring adjusted funds from operations** for the second quarter of 2014 reached \$51.2 million, up 7.1% compared to 2013. Fully diluted per unit, they reached \$0.40, up 5.3% from the same period of 2013.

## **FINANCIAL SITUATION**

As at June 30, 2014, Cominar had a **debt ratio** (excluding convertible debentures) of 50.9%. The **annualized interest coverage ratio** stood at 2.70:1. At the end of the second quarter of 2014, **total assets** reached \$6.5 billion, up 8.3% over December 31, 2013.

## **ACQUISITION ACTIVITIES**

During the quarter, Cominar completed \$100.7 million in strategic acquisitions of 14 new income properties totalling 1.2 million square feet at a weighted average capitalization rate of 7.1%.

Since the beginning of 2014, we invested in strategic acquisitions, totalling approximately \$358 million in income properties, which increased the total leasable area of our portfolio by 2.5 million square feet, 2.0 million of which are located in the Greater Toronto Area.

## **SUBSEQUENT EVENTS AFTER JUNE 30, 2014**

On August 4, 2014, Cominar replaced its secured credit facility of up to \$300 million by a new unsecured credit facility of up to \$350 million at an interest rate reduced by 30 basis points. This new credit facility will mature in August 2017. The value of Cominar's unencumbered income properties is now \$2.3 billion.

On August 7, 2014, Cominar announced a distribution of \$0.1225 per unit to unitholders of record on August 29, 2014, which will be paid on September 15, 2014.

## **ADDITIONAL FINANCIAL INFORMATION**

Cominar's condensed interim consolidated financial statements and management's discussion and analysis for the second quarter 2014, 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 7, 2014**

On **Thursday, August 7, 2014 at 11 a.m. (ET)**, Cominar's management will hold a conference call to present the results for second quarter 2014. Anyone who is interested may take part in this call by dialing **1 888 390-0549**. 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 7, 2014 at 2 p.m. to Thursday, August 14, 2014 at 11:59 p.m., by dialing **1 855 859-2056** followed by this code: **817607**.

## **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 7, 2014**

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 526 properties in three different market segments, that is, office properties, retail properties and industrial and mixed-use properties. Cominar's portfolio totals 39.5 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) 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 Management Discussion and Analysis for the second quarter ended June 30, 2014, presents the reconciliation of DI, FFO and AFFO with the most similar IFRS measures:

## NON-IFRS MEASURES

Quarters ended June 30	2014	2013	Δ%	2014	2013	Δ%
	(\$000)	(\$000)		(\$ per unit)	(\$ per unit)	
Net operating income	98,539	91,733	7.4			
Recurring distributable income	52,051	48,473	7.4	0.41 <sup>(1)</sup>	0.39 <sup>(1)</sup>	5.1
Distributions	46,688	45,598	2.4	0.36	0.36	-
Recurring funds from operations	60,308	54,797	10.1	0.47 <sup>(2)</sup>	0.43 <sup>(2)</sup>	9.3
Recurring adjusted funds from operations	51,172	47,765	7.1	0.40 <sup>(2)</sup>	0.38 <sup>(2)</sup>	5.3

(1) basic

(2) fully diluted

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### For information:

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