



PRESS RELEASE

For Immediate Release

Net Income Increases 36.3% for Cominar

Québec City, August 8, 2013 — Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) (TSX: CUF.UN) announced today its results for the second quarter of fiscal year 2013.

Highlights for the Quarter Ended June 30, 2013

- Increased operating revenues by 19.5%
- Increased net income by 36.3%
- Increased recurring distributable income by 15.9%
- Increased total assets by 24.6%, totalling \$5.9 billion (compared to Q2 2012)
- Issued \$100 million in unsecured debentures bearing interest at 4.0% and maturing in November 2020 to reduce short-term credit facility

Subsequent Events after June 30, 2013

- Issued \$100 million in unsecured debentures bearing interest at 4.941% and maturing in July 2020 to reduce short-term credit facility
- Called all its outstanding Series C convertible unsecured subordinated debentures at 5.80% and totalling \$110.0 million
- Intention to file a preliminary base shelf prospectus

“Our second-quarter results continue to show good growth overall. Namely, it is satisfying to note that our adjusted funds from operations have increased 16.5% and that per unit fully diluted, they remained stable, despite the dilutive effect of the debt reduction strategy we put forth at the same time as the major acquisitions we made in 2012”, stated Michel Dallaire, President and Chief Executive Officer of Cominar.

“On a day-to-day basis, we remain cautious and mindful of optimizing cost control and maintaining quality customer service—two factors that are inherent to our success and that contribute to maintaining an overall occupancy rate that is comparable to the market. Since the beginning of 2013, we have carried on our activities in a rigorous and dynamic manner, and we invested nearly \$200 million in strategic property acquisitions and development projects at very attractive capitalization rates (ranging from 7.0% to 9.3%), as well as in land for future development. We are confident that our initiatives as a whole will keep contributing to our distributable income”, concluded Mr. Dallaire.

PRESENTATION OF RESULTS

For the quarter ended June 30, 2013, Cominar’s **operating income** totalled \$167.8 million, up 19.5% over the corresponding quarter in 2012, when it totalled \$140.4 million. This increase is mainly due to the contribution of the acquisitions made in 2012 and 2013.

Net operating income reached \$91.7 million, up 16.1% compared to \$79.0 million in the second quarter of 2012.

Net income grew to \$62.4 million, an increase of 36.3% over last year’s second-quarter result, which was \$45.8 million.

Recurring distributable income amounted to \$48.5 million, up 15.9% compared to the corresponding period in 2012. **Recurring distributable income per unit (fully diluted)** was \$0.38 at the end of the second quarter of 2013, compared to \$0.39 for the corresponding quarter of 2012. This decrease resulted mainly from the dilutive effect of the debt reduction that took place over this period.

Recurring funds from operations for the second quarter of 2013 reached \$54.8 million, up 11.0% over the corresponding quarter of 2012, when they totalled \$49.4 million. **Recurring funds from operations per unit (fully diluted)** stood at \$0.43, compared to \$0.45 as at June 30, 2012, representing a decrease of 4.4%. The dilutive effect of the debt reduction we undertook over this period is namely the cause of this decrease.

Recurring adjusted funds from operations per unit (fully diluted) stood at \$0.38, the same as in the second quarter of 2012, despite the dilutive effect of the debt reduction.

In the second quarter of 2013, Cominar's **distributions** to unitholders totalled \$45.6 million, compared to \$39.6 million in the corresponding quarter of 2012, representing an increase of 15.4%. The monthly distribution per unit remained stable at \$0.12.

FINANCIAL HIGHLIGHTS

As at June 30, 2013, Cominar's **debt ratio** was 51.3%, whereas its **annualized interest coverage ratio** remained conservative at 2.82:1, and the **weighted average interest rate of long-term debt** stood at 4.9%, compared to 5.3% as at June 30, 2012. As at June 30, 2013, **total assets** amounted to \$5,879 million, compared to \$4,717 million as at June 30, 2012, representing an increase of 24.6%

OPERATIONAL HIGHLIGHTS

Leasing Activities

As at June 30, 2013, the occupancy rate of Cominar's properties stood at 93.4%. Cominar renewed 38.8% of leases maturing in 2013 at a lease rate that rose 6.5% overall and signed new leases representing an area of 0.9 million square feet.

Acquisition Activities

On May 1, 2013, Cominar acquired an industrial building located in Pointe-Claire, Québec, for a purchase price of \$12.0 million; this property represents a leasable area of 199,000 square feet, and the capitalization rate for this transaction is 7.6%.

Financing Activities and Redemption of Debentures

- On April 29, 2013, Cominar issued \$100 million principal amount of Series 3 senior unsecured debentures bearing an interest rate of 4.0%, and maturing in November 2020. Cominar allocated the net proceeds to repaying its credit facility.
- On July 8, 2013, subsequent to quarter-end Cominar redeemed all its outstanding Series C convertible unsecured subordinated debentures, bearing interest at 5.80% and totalling \$110.0 million.

- On July 22, 2013, subsequent to quarter-end, Cominar issued \$100 million principal amount of Series 4 senior unsecured debentures bearing an interest rate of 4.941% and maturing in July 2020. Cominar allocated the net proceeds of \$99.6 million to repaying its credit facility.

These financing transactions are part of Cominar's strategy to take advantage of lower interest rates by replacing short-term debt with long-term debt, without increasing overall debt.

- Today, August 8, 2013, Cominar intends to file a preliminary short form base shelf prospectus with the securities regulatory authorities in each of the provinces and territories of Canada. Once a visa for the final short form base shelf prospectus has been obtained from the applicable Canadian securities regulatory authorities, this will enable Cominar to offer for sale and issue trust units, unsecured debt securities (including, without limitation, senior unsecured debentures and convertible unsecured subordinated debentures), warrants and subscription receipts of Cominar, units comprising any of the foregoing or any combination thereof having an offer price of up to \$1 billion in the aggregate from time to time during the 25-month period during which the base shelf prospectus remains valid.

ADDITIONAL FINANCIAL INFORMATION

Cominar's condensed interim consolidated financial statements and management's discussion and analysis for the quarter ended June 30, 2013, will be filed with SEDAR at www.sedar.com and will be available on Cominar's website at www.cominar.com.

CONFERENCE CALL — AUGUST 8, 2013

On **Thursday, August 8, 2013, at 11 a.m.** (ET), Cominar's management will hold a conference call to present the results for the second quarter of 2013. Anyone who is interested may take part in this call by dialing **1.888.231.8191**. 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 re-broadcast of the conference call will be available from Thursday, August 8, 2013, at 2 p.m. to Thursday, August 15, 2013 at 11:59 p.m., by dialing **1.855.859.2056** followed by this code: **16444966**.

DISTRIBUTION REINVESTMENT PLAN

Cominar offers unitholders the opportunity to participate in its Unitholder Distribution Reinvestment Plan, which allows them to reinvest their monthly distributions in 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.

PROFILE AS AT AUGUST 8, 2013

Cominar Real Estate Investment Trust is the third largest diversified real estate investment trust in Canada and currently remains the largest commercial property owner in the Province of Québec. The REIT owns a real estate portfolio of 493 properties in three different market segments, that is, office buildings, retail buildings and industrial and mixed-use buildings. Cominar's portfolio totals 36.8 million square feet spread out across Québec, Ontario, the Atlantic Provinces and Western Canada. Cominar's

objectives are to pay growing cash distributions to unitholders and to maximize unitholder value by way of integrated, 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.

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 Interim Management’s Discussion and Analysis for the second quarter ended June 30, 2013, presents the reconciliation of DI, FFO and AFFO with the most similar IFRS measures:

Quarters ended June 30	2013	2012	Δ%
Recurring DI	48,473	41,816	15.9
Distributions	45,598	39,505	15.4
Recurring FFO	54,797	49,363	11.0
Recurring AFFO	47,765	40,990	16.5

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For information:

Michel Dallaire, Eng., President and Chief Executive Officer

Gilles Hamel, CPA, CA, Vice President, Corporate Finance and Administration

Tel.: (418) 681-8151

michel.dallaire@cominar.com

gilles.hamel@cominar.com