



**PRESS RELEASE**  
For Immediate Release

## **Cominar announces acquisition of 68 GE Capital Real Estate assets in Ottawa and Montréal and \$250 million offering of trust units**

### **Transaction Highlights**

- Acquisition of 68 office and industrial properties in Ottawa and Montréal totalling 4.3 million square feet from GE Capital Real Estate
- Purchase price of \$697 million, subject to certain closing adjustments
- Enhanced geographic diversification for Cominar, with pro forma Ontario NOI contribution increasing to 11%
- Transaction immediately accretive to AFFO per unit
- Concurrent offering of \$250 million of Cominar trust units on a bought deal basis

### **Acquisition of GE Capital Real Estate Assets**

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QUÉBEC CITY, July 30, 2012 - Cominar Real Estate Investment Trust ("Cominar" or the "REIT") (TSX : CUF.UN) is pleased to announce the acquisition of a portfolio of 68 properties in Montréal and Ottawa from GE Capital Real Estate's Canadian equity platform ("GE Capital Real Estate") comprising a total of 4.3 million square feet (the "Acquisition"). The acquired portfolio consists of 14 office buildings (1.5 million square feet) and one vacant land parcel (3.4 acres) in Ottawa, 23 office properties (1.2 million square feet) and 23 industrial properties (1.3 million square feet) in Montréal and 4 office properties (200 thousand square feet) and 3 industrial properties (53 thousand square feet) in Québec City.

<b>Portfolio</b>	<b>No. of Properties</b>	<b>GLA (sq. ft.)</b>
Ottawa Office	15	1,549,886
Montréal Office	23	1,235,889
Montréal Industrial	23	1,277,361
Québec City Office	4	201,188
Québec City Industrial	3	53,479
<b>Total</b>	<b>68</b>	<b>4,317,803</b>

Mr. Michel Dallaire, Cominar's president and chief executive officer, said: "With this acquisition, we are integrating the team and the operating platform that has managed and operated these assets. We are excited by this strategic acquisition, which is a logical move for us to enhance our platform for meaningful future growth in Ontario."



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Brad Trotter, managing director of GE Capital Real Estate Canada, says, "We are pleased with the agreement with Cominar. The transaction is a strong strategic win for both parties and demonstrates our collective execution capabilities."

The Acquisition is expected to close in mid-September 2012, following satisfaction of all closing conditions, including receipt of all required regulatory clearances.

### **Enhanced Geographic Diversification**

The Acquisition will increase Cominar's asset base by approximately 14% to 35 million square feet and has a meaningful impact on the REIT's geographic diversification profile, increasing its Ontario net operating income ("NOI") contribution from 5% to 11%.

### **Accretive transaction**

The Acquisition is expected to be immediately accretive to Cominar's adjusted funds from operations ("AFFO") per unit. In addition, the Montréal properties acquired provide an attractive opportunity for further revenue and NOI growth through improved occupancy.

"We are pleased by the mix of asset types and geographies composing the portfolio which results in a blended stabilized cap rate of 6.7% allowing us to deliver accretion to our unitholders" added Mr. Michel Berthelot, Cominar's executive vice president and chief financial officer.

### **Ottawa Office Portfolio**

The Ottawa office portfolio consists of 14 office properties totaling 1.5 million square feet and one vacant land parcel totaling 3.4 acres. The weighted-average occupancy of this portfolio is 98.5% with a weighted-average lease term of 4.1 years.

### **Québec Portfolio**

#### *Montréal Portfolio*

The Montréal portfolio consists of 23 office properties totaling 1.2 million square feet and 23 industrial properties totaling 1.3 million square feet. The weighted-average occupancy of this portfolio is 86.6% with a weighted-average lease term of 3.5 years. As such, there is a potential for additional upside from improved occupancy in Montréal.

#### *Québec City Portfolio*

The Québec City portfolio consists of 4 office properties totaling 0.2 million square feet and 3 industrial properties totaling 53 thousand square feet. The weighted-average occupancy of this portfolio is 89.8% with a weighted-average lease term of 3.8 years.



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### **Offering of Trust Units**

Cominar also announced today that it has entered into an agreement with a syndicate of underwriters co-led by National Bank Financial Inc. and BMO Capital Markets to sell, on a bought deal basis, 10,122,000 Cominar trust units. The agreement with the syndicate provides for the issuance of the trust units at a price of \$24.70 per trust unit to raise gross proceeds of approximately \$250 million and up to \$287.5 million in the event the underwriters exercise their right to an over-allotment option to purchase 1,518,300 trust units, representing 15% of the size of the offering. The trust units will be offered in all provinces and territories of Canada pursuant to a short-form prospectus. Closing of the offering is expected to take place on or about August 21, 2012.

The remainder of the purchase price will be funded via Cominar's current bank facilities and a new interim bank facility, as well as through the assumption of \$30 million of existing mortgage debt currently encumbering four of the properties in the portfolio.

### **Pro Forma Leverage**

Following closing of the Acquisition and the issuance of trust units, Cominar expects to have a debt to gross book value ratio of approximately 53%. Cominar intends to revert to its target leverage ratio of approximately 50% debt to gross book value, over time.

### **Advisors**

BMO Capital Markets acted as Cominar's financial advisor and legal counsel to Cominar was provided by Davies Ward Phillips & Vineberg LLP. CIBC acted as GE Capital Real Estate's financial advisor while McCarthy Tetrault LLP provided legal counsel on the transaction.

### **PROFILE as at July 30, 2012**

Cominar Real Estate Investment Trust is the third largest diversified real estate investment trust in Canada and currently remains the largest property owner in the Province of Québec. The REIT owns a real estate portfolio of 415 high-quality properties, consisting of 82 office, 158 retail and 175 industrial and mixed-use buildings that cover a total area of 30.7 million square feet in Québec, Ontario, the Atlantic Provinces and Western Canada. Cominar's objectives are to pay growing cash distributions to unitholders and to maximise unitholder value by way of proactive management and the expansion of its portfolio.

The REIT has a distribution reinvestment plan for its unitholders that allows participants to reinvest their monthly distributions in additional Trust units. Participants will be given the right to receive an effective discount of 5% of distributions to which they are entitled in the form of additional units. Additional information and enrolment forms are available at [www.cominar.com](http://www.cominar.com).



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