



## Press Release

For Immediate Release

### Cominar continues to grow and becomes one of the largest diversified real estate investment trusts in Canada

*Cominar increases its portfolio by 44% and the value of its assets to \$4.6 billion*

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Québec City, March 8, 2012 — Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) (**TSX - CUF.UN**) announces its results for the fourth quarter and fiscal 2011.

#### Highlights of the fiscal year ended December 31, 2011

- Increase of 62.6% in net income
- Increase of 26.5% in funds from operations
- Nine property acquisitions totalling \$101 million
- Acquisition of 15.1% of the outstanding units of Canmarc Real Estate Investment Trust (“Canmarc”) for \$114 million and launch of a takeover bid for all issued and outstanding Canmarc trust units by the “Cominar Acquisition Group”

#### Significant events subsequent to December 31, 2011

- Closing of the acquisition of all outstanding Canmarc units on March 1<sup>st</sup>, 2012
- Offering of 9.2 million Cominar units for gross proceeds of \$201 million

“Fiscal 2011 was another excellent year for Cominar as it pursued its growth, further expanded and continued to diversify geographically. We are satisfied with our sustained increase in results, attesting to the quality of our acquisitions and our overall portfolio, the loyalty of our diversified clientele and the efficiency of our integrated management. It is interesting to note that our distributable income has grown by an average of some 20% annually over the past ten years, reflecting the sustained increase in cash flows generated by Cominar’s portfolio. In 2011, we further broadened and consolidated our bases in the Atlantic Provinces and Greater Montréal Area, and took further advantage of the vigorous economy in the Greater Québec City Area where Cominar retains its dominant position. We were proud to recently close the acquisition of Canmarc, which increases our portfolio’s leasable area to some 30 million square feet as well as our presence in Québec and the Atlantic Provinces, while allowing us to further diversify geographically with properties in Ontario and Western Canada. We are confident we will efficiently achieve its integration and pursue our growth in 2012,” indicated Michel Dallaire, President and Chief Executive Officer of Cominar.

For the fiscal year ended December 31, 2011, **operating revenues** totalled \$317.7 million, up 12.5%. This increase is due mainly to the contribution of the acquisitions completed and integrated during fiscal 2010 and 2011.

**Net operating income** reached \$184.7 million, up 12.1% over fiscal 2010.

**Net income** grew to \$177.5 million, up 62.6% over the previous year. **Recurring distributable income per fully diluted unit** amounted to \$1.48.

**Recurring funds from operations** totalled \$111.9 million, an increase of 8.6% reflecting the contribution of the acquisitions and developments completed in 2010 and 2011. **Recurring funds from operations per fully diluted unit** amounted to \$1.65.

**Recurring adjusted funds from operations** stood at \$99.1 million, compared with \$91.7 million for 2010. **Recurring adjusted funds from operations per fully diluted unit** amounted to \$1.50.

In 2011, Cominar paid **distributions** totalling \$95.6 million to unitholders, compared with \$87.0 million in 2010, an increase of 9.8%. **Distributions per unit** remained stable at \$1.44.

### **Financial position**

As at December 31, 2011, Cominar maintained a **debt ratio** of 44.6% following two investments closed in the fourth quarter, for total gross proceeds of \$256 million. The interest coverage ratio remained conservative at 2.72 and the average interest rate of its long-term debt stood at 5.56%, compared with 5.54% as at December 31, 2010.

### **Solid growth in key performance indicators in the fourth quarter of 2011**

For the quarter ended December 31, 2011, **operating revenues** totalled \$78.0 million, compared with \$71.3 million for the same period of 2010, an increase of 9.4% reflecting the contribution of acquisitions and developments. **Net operating income** grew by 9.3% to \$47.2 million. **Distributable income** rose to \$26.0 million, compared with \$23.8 million for the corresponding period of 2010, an increase of 9.2%. **Distributable income per fully diluted unit** for the fourth quarter of 2011 amounted to \$0.37. **Adjusted funds from operations** grew by 10.1% over the fourth quarter of 2010. AFFO per fully diluted unit grew to \$0.38, an increase of 2.7%.

### **Operational highlights**

As at December 31, 2011, the **occupancy rate** stood at 93.6%, compared with 93.8% as at December 31, 2010, a most appreciable rate in the 2011 economic context

### **Acquisitions closed in 2011: nine properties in the Atlantic Provinces and Greater Montréal Area and proposed acquisition of all outstanding Canmarc units**

In 2011, Cominar acquired nine income-producing properties covering a leasable area of some 0.7 million square feet for a total investment of \$101 million, specifically seven properties in the Atlantic Provinces in our three business sectors, plus two properties in the Greater Montréal Area. All these new properties are almost fully leased.

During the fourth quarter, Cominar announced that it had launched a takeover bid for all issued and outstanding units of **Canmarc**, having acquired 15.1% of such units for a consideration of \$114 million. This acquisition allowed Cominar to further expand its presence in Québec and the Atlantic Provinces and to establish bases in Ontario and Western Canada. Its portfolio's leasable space grew by 9.4 million square feet or 44%, and the value of its assets rose to approximately \$4.6 billion.

### **Dividend reinvestment plan**

Cominar has a dividend reinvestment plan for its unitholders that allows participants to reinvest their monthly distributions in additional Trust units. Participants receive an effective discount of 5% of distributions in the form of additional units. Information and enrolment forms are available at [www.cominar.com](http://www.cominar.com).

### **Additional financial information**

Cominar's consolidated financial statements and the management's discussion and analysis for the fiscal year ended December 31, 2011 will be filed with SEDAR at [www.sedar.com](http://www.sedar.com) and are available on Cominar's website at [www.cominar.com](http://www.cominar.com).

### **March 8, 2012 conference call**

On Thursday, March 8, 2012 at 11:00 a.m. (EST), Cominar's management will hold a conference call to discuss the results for fiscal 2011. Anyone who is interested may take part in this call by dialing 1-877-974-0445. A presentation of the results will be available before the conference call on the REIT's website at [www.cominar.com](http://www.cominar.com) under the title "Conference Call". In addition, a taped re-broadcast will be available from Thursday, March 8, 2012 at 2:00 p.m. to Thursday, March 15, 2012 at 11:59 p.m. by dialing 1-877-289-8525 followed by the code 4510616#.

### **PROFILE as at March 8, 2012**

Cominar is one of the largest diversified real estate investment trusts in Canada and the largest commercial property owner in the Province of Québec. The REIT owns a real estate portfolio of **385 high-quality properties** that cover **a total area of over 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.

### **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, the impact of the acquisition of Canmarc Real Estate Investment Trust including the increased indebtedness associated therewith, competition, changes in government regulation and the factors described under "Risk Factors" in the Annual Information Form of Cominar. 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, distributable income (DI), funds from operations (FFO) and 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. The following table shows the reconciliation of DI, FFO and AFFO with the most similar IFRS measures:*

Quarters ended December 31	2011			2010		
	DI	FFO	AFFO	DI	FFO	AFFO
<b>Net income (IFRS)</b>	<b>95,703</b>	<b>95,703</b>	<b>95,703</b>	34,435	34,435	34,435
- Adjustment of income-producing properties at fair value	(51,349)	(51,349)	(51,349)	(7,198)	(7,198)	(7,198)
- Adjustment of investment in a public entity at fair value	(18,232)	—	(18,232)	—	—	—
- Amortization of fair value adjustments on assumed indebtedness	(394)	—	(394)	(143)	—	(143)
+ Amortization of capitalized financing costs	—	—	759	—	—	464
+ Compensation expenses related to unit option plan	249	—	249	209	—	209
+ Deferred tax expense	(72)	(72)	(72)	65	65	65
- Capital expenditures – maintenance of ability to generate rental income	—	—	(522)	—	—	(449)
+ Accretion of liability component of convertible debentures	61	—	61	56	—	56
+ Transaction costs – business combination	3,616	3,616	3,616	—	—	—
- Provision for leasing costs	(2,980)	—	(2,980)	(3,028)	—	(3,028)
- Rental income – straight-line accounting for leases	(623)	—	(623)	(599)	—	(599)
	<b>25,979</b>	<b>47,898</b>	<b>26,216</b>	23,797	27,302	23,812

Fiscal years ended December 31	2011			2010		
	DI	FFO	AFFO	DI	FFO	AFFO
<b>Net income (IFRS)</b>	<b>177,461</b>	<b>177,461</b>	<b>177,461</b>	109,140	109,140	109,140
- Adjustment of income-producing properties at fair value	(51,349)	(51,349)	(51,349)	(7,198)	(7,198)	(7,198)
- Adjustment of investment in a public entity at fair value	(18,232)	—	(18,232)	—	—	—
- Amortization of fair value adjustments on assumed indebtedness	(1,362)	—	(1,362)	(439)	—	(439)
+ Amortization of capitalized financing costs	—	—	3,308	—	—	2,947
+ Compensation expenses related to unit option plan	986	—	986	873	—	873
+ Deferred tax expense	685	685	685	446	446	446
- Capital expenditures – maintenance of ability to generate rental income	—	—	(1,795)	—	—	(1,598)
+ Accretion of liability component of convertible debentures	240	—	240	224	—	224
+ Transaction costs – business combination	4,262	3,616	3,616	685	685	685
- Provision for leasing costs	(11,616)	—	(11,616)	(11,364)	—	(11,364)
- Rental income – straight-line accounting for leases	(2,598)	—	(2,598)	(2,031)	—	(2,031)
	<b>98,477</b>	<b>130,413</b>	<b>99,344</b>	90,336	103,073	91,685

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Complete consolidated financial statements, including accompanying notes, are available on Cominar's website at [www.cominar.com](http://www.cominar.com) under “Investor Relations” – Annual Reports”.