

## PRESS RELEASE

### For Immediate Distribution

#### **COMINAR AFFIRMS ITS PREMIUM, ALL-CASH OFFER; CANMARC UNITHOLDERS ENCOURAGED TO TENDER TO COMINAR OFFER**

Québec City, Québec, December 14, 2011 – Cominar Real Estate Investment Trust (TSX: CUF.UN) (“**Cominar**”) commented today on the trustees’ circular issued yesterday by Canmarc Real Estate Investment Trust (TSX: CMQ.UN) (“**Canmarc**”) in response to the offer (the “**Offer**”) made by Cominar to all Canmarc unitholders to acquire all of the issued and outstanding trust units of Canmarc on November 28, 2011.

“We are disappointed that the trustees of Canmarc fail to recognize the value of Cominar’s offer to acquire all of the Canmarc Units, but we are highly confident that Canmarc unitholders will accept our Offer, which is the only offer on the table for Canmarc Unitholders” said Michel Dallaire, Cominar’s President and Chief Executive Officer.

As of the date hereof, based on publicly-available information, Cominar and its subsidiaries own approximately 15.1% of the total issued and outstanding Canmarc Units, making Cominar the second-largest unitholder of Canmarc after Homburg Invest Inc., which has filed for protection under the *Companies’ Creditors Arrangement Act*.

Cominar first acquired Canmarc Units on September 27, 2011, when a significant unitholder of Canmarc sold 2,372,500 Canmarc Units to Cominar at a price of \$12.10 per Canmarc Unit. Cominar bought another block of Canmarc Units on November 25, 2011, when the largest institutional unitholder of Canmarc sold its 3,099,300 Canmarc Units to Cominar at a price of \$15.30 per Canmarc Unit.

Mr. Dallaire further commented on this point, “The second and third largest unitholders of Canmarc, representing, in the aggregate, in excess of 10% of the issued and outstanding Canmarc Units, have sold their Canmarc Units to Cominar at or below the price of our Offer. These are sophisticated investors that fully grasped the value of their investment in Canmarc and would not have sold their Canmarc Units if they did not believe they were receiving full value for such Canmarc Units. Before we first acquired Canmarc Units, the Canmarc Units were trading at approximately \$12.10.”

“In fact, we also note that on September 13, 2011, Canmarc completed a bought deal transaction priced by TD Securities, as lead underwriter, at a price of \$11.50 per Canmarc Unit,” added Mr. Dallaire.

## **Cominar's Record of Growth and Performance**

“The response of Canmarc, at this time, is a typical reaction under the circumstances,” noted Michel Berthelot, Cominar's Executive Vice President and Chief Financial Officer, “With respect to our record of growth and performance compared to that of Canmarc, our record since our IPO in 1998 speaks for itself,” added Mr. Berthelot.

## **Details of Cominar's Offer**

The Offer will expire on January 12, 2012.

Pursuant to the Offer, the unitholders of Canmarc will receive \$15.30 in cash per Canmarc Unit (the “**Cash Alternative**”), not subject to proration. Alternatively, Cominar proposes to offer Canmarc unitholders the opportunity to participate in the growth of the combined entity via a unit election option pursuant to which Canmarc unitholders would exchange each Canmarc Unit they hold for 0.7054 Cominar Units (the “**Unit Alternative**”), with an aggregate maximum of 16 million Cominar Units available pursuant to this option, subject to proration.

The Offer, which was unanimously approved by Cominar's Board of Trustees, is expected to be immediately accretive to Cominar's distributable income, funds from operations and adjusted funds from operations per Cominar Unit.

The Offer is not subject to a vote by Cominar unitholders.

### ***The Cash Alternative***

The all-cash purchase price under the Cash Alternative represents a premium of approximately 15.2% over the closing price of \$13.28 per Canmarc Unit on the TSX on November 25, 2011, the last trading day prior to Cominar's announcement of its intention to make the Offer, a premium of approximately 33.2% over the closing price of \$11.49 per Canmarc Unit on the TSX on September 8, 2011, the last trading day prior to Homburg Invest Inc.'s announcement that it had applied for protection under the *Companies' Creditors Arrangement Act*, and a premium of approximately 33.0% over the issuance price per Canmarc Unit of \$11.50 under its most recent public offering of Canmarc Units announced on August 23, 2011.

The consideration under the Cash Alternative provides Canmarc unitholders with certainty of value and immediate liquidity, and removes the risk associated with the continued ownership of Canmarc Units.

The Offer is not subject to any financing condition.

### ***The Unit Alternative***

The Unit Alternative is available as an option to tendering Canmarc unitholders who wish to elect not to receive a full cash consideration and prefer the opportunity to participate in the future upside of Cominar. Based on the exchange ratio offered under the Unit

Alternative and before any proration of the unit consideration, the monthly cash distributions to Canmarc unitholders electing the Unit Alternative are expected to increase by approximately 6.9%.

The acquisition of Canmarc is expected to significantly enhance Cominar's profile by providing it with the following benefits:

1. **Addition of high-quality, complementary portfolio of properties:** The acquisition of Canmarc will provide Cominar with an additional 8.8 million square feet of high-quality real estate that is complementary to its existing portfolio. Combined with Cominar's existing properties, the addition of Canmarc's assets will create a unique portfolio of high-quality properties including a number of landmark buildings.
2. **Enhanced size and diversification:** The acquisition of Canmarc will increase Cominar's asset base by approximately 42% to approximately 30 million square feet, with an enhanced footprint in the Province of Québec and a meaningful presence in the Maritimes, western Canada and Ontario. Furthermore, Cominar's portfolio will benefit from enhanced diversification among the office, retail and industrial asset classes.
3. **Improved capital markets profile:** The acquisition of Canmarc will increase Cominar's enterprise value to \$4.4 billion, creating the second-largest diversified REIT in Canada, while increasing liquidity for Cominar unitholders. Accordingly, Cominar will benefit from stronger access to capital.
4. **Lower cost of capital:** The increased size and enhanced geographic and asset class diversification resulting from the acquisition of Canmarc is expected to allow Cominar to benefit from a lower cost of capital, thus improving its competitiveness for future asset and portfolio acquisitions.
5. **Positioned for further growth:** Due to its scale, the combined entity will be ideally positioned to execute Cominar's continued expansion in its key markets and in the Ontario market.
6. **Synergies:** Given the scale of its existing operations in Québec, Cominar expects to realize synergies from the combination of the two entities. Cominar's knowledge of the key markets in which Canmarc operates is expected to result in lower operating costs and improved operating efficiencies, creating further synergies for Cominar.

While the Offer will require Cominar to temporarily increase its leverage, Cominar intends to align its capital structure with its long-term objectives over time.

## **PROFILE as at December 14, 2011**

Cominar is the largest commercial property owner in the Province of Québec. Cominar owns a real estate portfolio of 269 high-quality properties, consisting of 53 office, 55 retail and 161 industrial and mixed-use buildings that cover a total area of 21.0 million square feet in the Greater Québec City, Montréal and Ottawa-Gatineau areas as well as in the Atlantic Provinces. Cominar's objectives are to deliver growing cash distributions payable monthly to its unitholders and to maximize unitholder value by way of integrated 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, increased indebtedness associated to the Offer, 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.*

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