Press Release

For Immediate Release

Cominar Real Estate Investment Trust: sustained growth and expansion in the third quarter of 2011

- **Increase of 6.1% in net income**
- **Increase of 12.7% in net operating income**
- **Three property acquisitions in the Atlantic Provinces and one in Montréal: $16.5 million investment**

Subsequent events:

- **Updating of the REIT's strategic plan**
- **Offering of 5.2 million units for gross proceeds of approximately $112 million**

TSX - CUF.UN

Québec City, November 10, 2011 **—** Cominar Real Estate Investment Trust ("Cominar" or the "REIT") (TSX: CUF.UN) achieved a solid financial performance while further expanding its real estate portfolio during the third quarter ended September 30, 2011. "Once again, our results attest to the REIT's stability and solidity, to the quality of our acquisitions, and to service worthy of the loyalty of our diversified client base. The four properties acquired for a total of $16.5 million in the third quarter represent an 8.4% weighted average capitalization rate and are fully leased. We remain in a healthy and solid financial position to pursue our business strategy and have just closed an offering for gross proceeds of approximately $112 million. Furthermore, we maintained our distributions at $0.36 per unit. Finally, with a view to sound management of our future growth, we updated our strategic plan and the Board of Trustees amended the criteria regarding our debt ratio, distribution ratio and expansion strategy," indicated Michel Dallaire, President and Chief Executive Officer of Cominar.

For the third quarter of 2011, **operating revenues** totaled $78.0 million, an increase of 12.9%. This growth is due mainly to the property acquisitions completed in 2010 and 2011 and the contribution of developments.

Net operating income grew to $47.3 million, up 12.7% over the third quarter of 2010.

Net income amounted to $27.9 million, an increase of 6.1% over the third quarter of 2010. **Net income per fully diluted unit** rose to $0.43, up 2.4% over the same period of last year.

Recurring distributable income stood at $25.1 million, up 6.2% over the third quarter of 2010. **Recurring distributable income per fully diluted unit** amounted to $0.38, compared with $0.37 for the corresponding quarter of 2010, an increase of 2.7%.

Recurring funds from operations totaled $28.6 million, a growth of 7.9% that reflects the contribution of the acquisitions and developments completed over the past months.

Recurring adjusted funds from operations per fully diluted unit amounted to $0.38, compared with $0.37 for the third quarter of 2010, an increase of 2.7%.

Cominar paid **distributions** totaling $23.3 million to unitholders for the third quarter of 2011, compared with $22.4 million for the corresponding quarter of 2010, an increase of 4.0%. **Distributions per unit** amounted to $0.36, remaining stable with the third quarter of 2010.

Financial Position

As at September 30, 2011, Cominar's **overall debt ratio** was 54.6% and the **interest coverage ratio** was 2.79:1, comparing favourably with that of its peers.

Property Occupancy Rate

As at September 30, 2011, the occupancy rate of Cominar's leased properties stood at 93.6%, basically the same level as at December 31, 2010. The leasing teams are pursuing their intensive efforts, especially in the industrial and mixed-use sector in the Montréal region. Thus, within the first nine months, Cominar already renewed 67.2% of all leases expiring in 2011. In addition, new leases were signed for an area of 1.3 million square feet during the same period.

Property Acquisitions Completed in the Third Quarter of 2011

On July 29, 2011, Cominar completed three property acquisitions covering a total area of 93,000 square feet in the Atlantic Provinces, for an aggregate consideration of $13.1 million. Their average capitalization rate is 8.4% and these three properties are fully occupied.

On September 30, 2011, Cominar acquired an industrial and mixed-use property covering an area of 43,000 square feet in Montréal, Québec, for a consideration of $3.4 million. This property is fully occupied and the capitalization rate of this transaction is 8.5%.

Events Subsequent to September 30, 2011

- **Updating of the REIT's Strategic Plan**

Cominar regularly updates its strategic plan with a future-oriented vision and in light of economic conditions and market opportunities for solid long-term growth, in accordance with its mission. Its Board of Trustees recently amended the strategic plan, notably with respect to the debt ratio, distribution ratio and expansion strategy.

Consistent with Cominar's financial management principles of maintaining a healthy and solid balance sheet over the long term and regularly paying stable distributions to unitholders, the Board of Trustees proceeded to revise the debt ratio in order to generally bring it to approximately 50% of the gross book value, even though the REIT's Contract of Trust allows a ratio of 65%. The Board of Trustees also decided that the distribution rate should gradually be brought to about 90% of distributable income.

In addition, the Board of Trustees reviewed Cominar's two-tiered expansion strategy: property or property portfolio acquisitions, and development projects.

To sustain and eventually increase its pace of growth, Cominar needs to explore new markets outside Québec, as it did in March 2010 by acquiring a property portfolio in the Atlantic Provinces whose results are most satisfactory. The Board of Trustees therefore decided to add Ontario to the REIT's target markets. Any opportunities that arise in this market will be analyzed according to the same criteria and as rigorously as Cominar has done since its inception.

As for development projects, the Board of Trustees considers first, that they account for little of the REIT's target growth, and secondly, that large-scale projects have a dilutive impact on results because of their lengthy construction period. From now on, Cominar will therefore build its growth on acquisitions and limit the scale of its development projects to only execute those meeting its clients' demand and needs. .

In accordance with the new Québec City guidelines, property developers will have to combine a mix of residential and retail premises when executing their development projects, especially those located near Laurier Boulevard. In this context, the Board of Trustees re-examined the REIT's expansion strategy of not investing in the residential segment and, subsequent to such examination, reconfirmed this strategy.

This new course of action led to a revision of the terms and conditions for the ongoing Complexe Jules-Dallaire development. Consequently, under the agreement in principle entered into on November 8, 2011, Phase 2 of the Complexe will be executed in partnership with the Dallaire family. The Dallaire family would acquire the surface rights for a consideration of $20.2 million, an amount corroborated by independent experts, and would build Phase 2 at its own risk, including ten storeys of office space plus some 200 condominium units on fifteen floors to be sold to individuals. Once the development of the ten storeys of office space is complete, the Dallaire family may increase its interest by up to 50% of the fair market value of the entire Complexe by way of a cash consideration. Subsequently, the entire property will be managed by Cominar.

On account of the foregoing, on November 8, Cominar entered into an agreement to sell land held for major mixed-use development in Québec City to the Dallaire family, for a consideration of $20.4 million, an amount also corroborated by independent experts, to be paid in cash. This agreement includes a right of first refusal in favour of Cominar in respect of the construction of the office and retail space that could be built on this land.

- **Closing of an Offering of 5.2 Million Units for Gross Proceeds of $112 Million**

On October 20, 2011, Cominar closed a bought deal offering of 5,207,000 units pursuant to the terms of a short-form prospectus dated October 12, 2011 and filed with Canadian securities authorities. The units were sold to a syndicate of underwriters for gross proceeds of approximately $112 million that were allocated to pay down bank loans. Subsequent to this offering, the debt ratio was lowered to 50.5%, consistent with the strategic plan updated by the Board of Trustees.

- **Increase in Operating and Acquisition Credit Facilities**

In October 2011, Cominar raised its operating and acquisition credit facilities to $260.8 million, an increase of $75 million.

Distribution Reinvestment Plan

Cominar has a dividend reinvestment plan for its unitholders that allows participants to reinvest their monthly distributions in additional REIT 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.

Additional Financial Information

Cominar's interim consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), and the interim management's discussion and analysis for the third quarter ended September 30, 2011 will be filed on SEDAR at www.sedar.com and are available on Cominar's website at www.cominar.com.

November 10, 2011 Conference Call

On Thursday, November 10, 2011 at 11:00 a.m. (EST), Cominar's management will hold a conference call to discuss the results for the third quarter of 2011. Anyone who is interested may take part in this call by dialing 1-877-974-0445. To ensure your participation, please dial in five minutes before the start of the call. For those unable to participate, a taped re-broadcast will be available from Thursday, November 10, 2011 at 2:00 p.m. to Thursday, November 17, 2011 at 11:59 p.m., by dialing 1-877-289-8525 followed by the code 4477125#.

PROFILE *as at November 10, 2011*

Cominar is the largest commercial property owner in the Province of Québec. The REIT 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, 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. These measures may differ from similar computations reported by other similar organizations and, accordingly, may not be comparable to similar measures reported by such organizations. The following table shows the reconciliation of DI, FFO and AFFO with the most similar IFRS measures:

Quarters ended September 30		**2011**			**2010**	
	DI	**FFO**	**AFFO**	**DI**	**FFO**	**AFFO**
Net income (IFRS)	**27,918**	**27,918**	**27,918**	26,307	26,307	26,307
+ Compensation expense related to unit options	**195**	—	**195**	221	—	221
+ Accretion of liability component of convertible debentures	**61**	—	—	55	—	—
- Rental income – recognition of leases on a straight-line basis	**(420)**	—	**(420)**	(165)	—	(165)
- Amortization of fair value adjustments on assumed indebtedness	**(413)**	—	—	(133)	—	—
- Capital expenditures – maintenance of ability to generate rental income	—	—	**(493)**	—	—	(416)
+ Deferred tax expense	**60**	**60**	**60**	185	185	185
- Provision for leasing costs	**(2,964)**	—	**(2,964)**	(2,890)	—	(2,890)
+ Transaction costs – business combination	**646**	—	—	34	34	34
	25,083	**27,978**	**24,296**	23,614	26,526	23,276

Nine-month periods ended September 30		**2011**			**2010**	
	DI	**FFO**	**AFFO**	**DI**	**FFO**	**AFFO**
Net income (IFRS)	**81,758**	**81,758**	**81,758**	74,705	74,705	74,705
+ Compensation expense related to unit options	**737**	—	**737**	664	—	664
+ Accretion of liability component of convertible debentures	**179**	—	—	168	—	—
- Rental income – recognition of leases on a straight-line basis	**(1,975)**	—	**(1,975)**	(1,432)	—	(1,432)
- Amortization of fair value adjustments on assumed indebtedness	**(968)**	—	—	(296)	—	—
- Capital expenditures – maintenance of ability to generate rental income	—	—	**(1,273)**	—	—	(1,149)
+ Deferred tax expense	**757**	**757**	**757**	381	381	381
- Provision for leasing costs	**(8,636)**	—	**(8,636)**	(8,336)	—	(8,336)
+ Transaction costs – business combination	**646**	—	—	685	685	685
	72,498	**82,515**	**71,368**	66,539	75,771	65,518

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Condensed interim consolidated financial statements, including accompanying notes, are available on Cominar's website at www.cominar.com under "Investor Relations" – Interim Reports".