

# Press Release

For Immediate Release

## Sustained Growth and Expansion in the Third Quarter of 2010

- Increase of 10.0% in operating revenues and 7.8% in net operating income
- Funds from operations of \$26.9 million, up 7.7%
- Acquisition of an office building in Brossard, Québec

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### TSX - CUF.UN

Québec City, November 11, 2010 — For the quarter ended September 30, 2010, Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) maintained good results and pursued its expansion.

“During the third quarter of 2010, we achieved a good performance while continuing to create value through acquisitions and developments. Our healthy and solid financial position allowed us to pursue our business strategy by acquiring an office building in Brossard during the third quarter, and we added another 11 properties to our portfolio in October, including 10 in New Brunswick,” indicated Michel Dallaire, President and Chief Executive Officer of Cominar.

For the third quarter ended September 30, 2010, **operating revenues** totaled \$69.4 million, up 10.0% compared with corresponding quarter of 2009. This growth is due primarily to the contribution of the properties acquired in 2009 and 2010.

**Net operating income** amounted to \$42.3 million, up 7.8% over the third quarter of 2009. The operating profit margin stood at 61.0% and the same property profit margin at 60.6%, down slightly from the 62.2% and 61.9% margins posted respectively for the third quarter of 2009.

**Net income** rose to \$10.0 million, up 13.2% over the third quarter of 2009. **Net income per fully diluted unit** amounted to \$0.16, remaining stable compared with the corresponding quarter of 2009.

**Distributable income** grew to \$23.7 million, up 9.3% over the third quarter of 2009. **Recurring distributable income per fully diluted unit** amounted to \$0.37, compared with \$0.39 for the same quarter of 2009, a decrease of 5.1% primarily attributable to the dilutive effect of the unit offerings closed in 2009 and 2010.

**Recurring funds from operations** totaled \$26.9 million, an increase of 7.7% that reflects the contribution of the acquisitions and developments completed in 2009 and 2010. **Recurring adjusted funds from operations per fully diluted unit** amounted to \$0.37, down 2.6% from \$0.38 for the third quarter of 2009. This decline in results per unit primarily reflects the dilutive effect of the unit offerings closed in 2009 and 2010.

In the third quarter of 2010, Cominar paid **distributions** of \$22.4 million to unitholders, compared with \$19.7 million for the corresponding quarter of 2009, an increase of 13.8%. **Distributions per unit** amounted to \$0.36, remaining stable compared with the third quarter of 2009.

### **Financial Position**

As at September 30, 2010, the REIT's **overall debt ratio** stood at 56.5%, below the maximum of 65.0% allowed by its Contract of Trust when convertible debentures are outstanding. Furthermore, Cominar's **annualized interest coverage ratio** was 2.80:1 as at September 30, 2010, which compares favorably with that of its peers.

### **Property Occupancy Rate**

As at September 30, 2010, the overall **occupancy rate** stood at 93.7%, an increase from 92.7% as at March 31, 2010. In fact, the downward trend in the occupancy rate seen in the first quarter of 2010 has turned around. Growing demand, especially for industrial rental space in the Montréal region, is yielding positive results. As at September 30, 2010, the leasing team had already renewed 76.2% of the leases expiring in 2010 and new leases had been signed for an area of 1.0 million square feet.

### **Acquisitions Completed in the Third Quarter of 2010 and Subsequently**

In July, the REIT acquired an office building covering a leasable area of 90,000 square feet in Brossard, at a cost of \$13 million, with a capitalization rate of 8.5%. In October, Cominar also acquired eleven other properties for a total consideration of \$29.8 million, adding some 463,000 square feet of leasable area to its portfolio, of which 196,000 square are located in Laval, Québec and 267,000 square feet in Fredericton and Moncton, New Brunswick.

### **Distribution Reinvestment Plan**

Cominar 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).

### **Additional Financial Information**

Cominar's interim consolidated financial statements and the management's discussion and analysis for the third quarter ended September 30, 2010 will be filed on SEDAR at [www.sedar.com](http://www.sedar.com) and are available on Cominar's website at [www.cominar.com](http://www.cominar.com).

### **November 11, 2010 Conference Call**

On Thursday, November 11, 2010 at 11:00 a.m. (EST), Cominar's management will hold a conference call to discuss the results for the third quarter of 2010.

Anyone who is interested may take part in this call by dialing 1-888-231-8191. 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 11, 2010 at 2:00 p.m. to Thursday, November 18, 2010 at 11:59 p.m. by dialing 1-800-642-1687 followed by the code 16661885.

### **PROFILE as at November 11, 2010**

Cominar is the largest commercial property owner in the Province of Québec. The REIT owns a real estate portfolio of 254 high-quality properties, consisting of 47 office, 51 retail and 156 industrial and mixed-use buildings that cover a total area of almost 20 million square feet in the Greater Québec City, Montréal and Ottawa areas as well as in the Atlantic Provinces. Cominar's objectives are to deliver growing cash distributions to its unitholders and to maximize unitholder value through proactive management and the growth 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-GAAP Financial Measures**

*Net operating income, distributable income (DI), funds from operations (FFO) and adjusted funds from operations (AFFO) are not measures recognized under Canadian generally accepted accounting principles (GAAP) and do not have standardized meanings prescribed by GAAP. NOI, DI, FFO and AFFO computed by Cominar may differ from similar computations as 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 GAAP measures:*

Quarters ended September 30	2010			2009		
	DI	FFO	AFFO	DI	FFO	AFFO
Net income (GAAP)	10,033	10,033	10,033	8,860	8,860	8,860
+ Depreciation of income properties	13,994	13,994	13,994	13,609	13,609	13,609
+ Amortization of capitalized leasing costs	—	2,890	2,890	—	2,498	2,498
- Amortization of below-market leases	(230)	—	(230)	(193)	—	(193)
+ Compensation expenses related to unit option plan	221	—	221	109	—	109
+ Accretion of liability component of convertible debentures	56	—	—	10	—	—
- Rental income – straight-line accounting for leases	(269)	—	(269)	(729)	—	(729)
- Amortization of fair value adjustments on assumed mortgages payable	(133)	—	—	(30)	—	—
- Amortization of capitalized leasing costs	—	—	(2,890)	—	—	(2,498)
- Capital expenditures – maintenance of ability to generate rental income	—	—	(416)	—	—	(596)
- Future tax savings	(21)	(21)	(21)	—	—	—
	23,651	26,896	23,312	21,636	24,967	21,060

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