

**Press Release**  
**Cominar REIT**  
**Sustained Growth in the First Quarter of 2009**

- Increases of 18.4% in operating revenues and 16.6% in net operating income
- Distributable income of \$17.4 million, up 10.5%
- Funds from operations of \$20.9 million, up 11.4%
- Strategic acquisition in Montréal: \$37 million investment

**Events subsequent to March 31, 2009:**

- Unit offering: \$57.5 million
- Designation of *Complexe Jules-Dallaire* (Laurier Boulevard project, Québec City) and investment by the Dallaire family in this important real estate complex

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Québec City, May 13, 2009 — Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) announces solid growth in the first quarter ended March 31, 2009.

**Financial Highlights**

For the quarters ended March 31 (in thousands of dollars except per unit amounts)	2009	2008	% Change
Operating revenues <sup>(1) (2)</sup>	<b>67,867</b>	57,333	18.4
Net operating income <sup>(1) (2) (3)</sup>	<b>36,684</b>	31,450	16.6
Net income <sup>(1)</sup>	<b>4,042</b>	4,125	(2,0)
Recurring distributable income <sup>(1) (3)</sup>	<b>17,445</b>	15,794	10.5
Recurring funds from operations <sup>(1) (3)</sup>	<b>20,859</b>	18,726	11.4
Recurring adjusted funds from operations <sup>(1) (3)</sup>	<b>17,046</b>	15,682	8.7
Distributions	<b>16,523</b>	15,369	7.5
<b>Per unit</b>			
Net income	<b>0.09</b>	0.09	—
Recurring distributable income (FD) <sup>(3) (4)</sup>	<b>0.38</b>	0.35	8.6
Recurring funds from operations (FD) <sup>(3) (4)</sup>	<b>0.44</b>	0.40	10.0
Recurring adjusted funds from operations (FD) <sup>(3) (4)</sup>	<b>0.37</b>	0.35	5.7
Distributions (basic)	<b>0.360</b>	0.339	6.2

(1) Certain figures for 2008 have been modified following the adoption of a new accounting policy implemented retroactively.

(2) Certain figures for 2008 have been reclassified as discontinued operations in conformity with GAAP.

(3) Non-GAAP financial measure. See the reconciliation with the most similar GAAP measure included herein.

(4) Fully diluted.

“The first three months of 2009 were our 43<sup>rd</sup> consecutive quarter of growth, despite the economic context prevailing since 2008. Our occupancy rate remained stable and high at 94.5% for the first quarter, holding steady with the corresponding quarter of 2008 and comparable to the near-stationary average occupancy rate of the last five years. We see that there is still solid demand for rental space in our portfolio. Furthermore, despite tighter lending conditions, we renewed, in advance and at low interest rates, our \$255 million operating and acquisition credit facility. We also contracted or assumed mortgages payable totalling \$88.0 million. On April 21, 2009, we completed a \$57.5 million unit offering, the net proceeds of which were used to pay down the outstanding debt used to finance our ongoing acquisition and development pipeline. Our financial position remains healthy and solid, enabling us to pursue our business strategy,” indicated Michel Dallaire, President and Chief Executive Officer of Cominar.

**Operating revenues** totalled \$67.9 million for the first quarter ended March 31, 2009, up 18.4%. This increase is due mainly to the contribution of the office and industrial and mixed-use property acquisitions and developments completed in 2008 and the beginning of 2009.

**Net operating income** amounted to \$36.7 million, up 16.6% over the first quarter of 2008. The operating profit margin stood at 54.1%, slightly below the average of previous periods, whereas the same property profit margin held virtually steady with 2008, at 53.6%.

**Net income** amounted to \$4.0 million or \$0.09 per unit, which is comparable to the corresponding quarter of 2008.

**Distributable income** totalled \$17.4 million, up 10.5% over the first quarter of 2008. **Recurring distributable income per fully diluted unit** amounted to \$0.38, up from \$0.35 for the corresponding quarter of 2008, an increase of 8.6%.

**Recurring funds from operations** totalled \$20.9 million, an increase of 11.4% reflecting the contribution of the acquisitions and developments completed in 2008 and the beginning of 2009 and the 2.3% growth in same property net operating income. **Recurring adjusted funds from operations** per fully diluted unit grew by 5.7% to \$0.37, up from \$0.35 for the first quarter of 2008.

Cominar paid **distributions** totalling \$16.5 million to unitholders in the first quarter de 2009, compared with \$15.4 million in the corresponding quarter of 2008, an increase of 7.5%. **Distributions per unit** amounted to \$0.360, compared with \$0.339 in the first quarter of 2008.

### **Financial Position**

On February 19, 2009, Cominar announced the renewal of its \$255 million operating and acquisition credit facility, which will now mature on June 19, 2010. During the first quarter of 2009, Cominar also contracted or assumed mortgages payable totalling \$88.0 million and bearing interest at a weighted average contractual rate of 4.65%. In addition, it repaid outstanding mortgages payable of \$47.1 million bearing interest at a weighted average contractual rate of 5.53% using its credit facilities and new mortgages payable.

**The overall debt ratio** stood at 62.8%, which is less than the maximum debt ratio of 65.0% allowed by the REIT's Contract of Trust when convertible debentures are outstanding. **The interest coverage ratio** remained conservative at 2.42:1 – on an annualized basis this ratio is rather at 2.6:1 – and the weighted average contractual interest rate of its long-term debt was 5.55%, down eight basis points from December 31, 2008.

### **Occupancy Rate of Portfolio Properties**

As at March 31, 2009, **the occupancy rate** stood at 94.5%, holding steady with the first quarter of 2008 and comparable to the average occupancy rate of the last five years. In the first quarter, the leasing team renewed 35.0% of expiring leases in 2009; note that 13.4% of Cominar's leases will expire this year. In addition, Cominar signed new leases representing 0.2 million square feet of leasable space.

### **Acquisition Completed in the First Quarter of 2009**

On January 16, 2009, Cominar acquired a 227,260-square-foot office property located at 8400 Décarie Boulevard in Montréal, for a \$36.8 million purchase price, and the capitalization rate is 8.8%. This property is attached to another Cominar property and these two buildings are fully leased to the same tenant. For this acquisition, Cominar assumed a \$13.5 million mortgage payable bearing interest at 5.55%, and the balance of the purchase price was paid cash.

### **Ongoing Developments**

Ongoing developments in the Québec City and Montréal regions represent an additional leasable area of approximately 0.7 million square feet and a total estimated investment of \$97.4 million. Their average capitalization rate is estimated at 9.4%, which is much higher than current market rates for similar properties. These developments are progressing on schedule.

### **Events Subsequent to March 31, 2009**

**Complexe Jules-Dallaire** — In recent weeks, Cominar announced that its large-scale real estate project on Laurier Boulevard, in Québec City, had been officially named “*Complexe Jules-Dallaire*”, in honour and memory of Cominar’s founder, the late Jules Dallaire. The REIT also announced that the Dallaire family had entered into an agreement pursuant to which it acquired, effective May 4, 2009, a 5% interest in this large-scale complex for a purchase price of approximately \$2.0 million, reflecting the share of the investments made to date in the complex. In addition, the Dallaire family will assume its share of the project’s future expenses. Complexe Jules-Dallaire will be managed by Les services administratifs Cominar inc., a wholly-owned subsidiary of Cominar. Day-to-day management, budgetary matters and leasing will remain under the control of Cominar.

**\$57.5 million unit offering** — On April 21, 2009, Cominar completed an offering of 4,792,050 units for proceeds of \$57.5 million. The net proceeds from the offering were used to pay down debt outstanding under current credit facilities, which debt was used to finance Cominar’s ongoing acquisition and development pipeline. Cominar thus lowered its **overall debt ratio** to 59.9% as at May 12, 2009.

### **Distribution Reinvestment Plan**

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).

### **Additional Financial Information**

Cominar’s interim consolidated financial statements and the management’s discussion and analysis for the first quarter ended March 31, 2009 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).

### **May 13, 2009 Conference Call**

On Wednesday, May 13, 2009, at 11:00 a.m. (EDT) Cominar’s management will hold a conference call to discuss the results for the first quarter of 2009. Anyone who is interested may take part in this call by dialing 1 (800) 595-8550. 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”. The event will also be simultaneously webcast on its website and archived for 90 days.

### **PROFILE as at May 13, 2009**

Cominar is the largest commercial property owner in the Province of Quebec. The REIT owns a real estate portfolio of 215 high-quality properties, consisting of 38 office, 38 retail and 139 industrial and mixed-use buildings that cover a total area of over 18.5 million square feet in the Greater Québec City, Montréal and Ottawa areas. 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 March 31	2009			2008		
	DI	FFO	AFFO	DI	FFO	AFFO
Net income (GAAP)	4,042	4,042	4,042	4,125	4,125	4,125
+ Amortization of income properties	14,219	14,219	14,219	12,470	12,470	12,470
+ Amortization of capitalized leasing costs	—	2,598	2,598	—	2,131	2,131
- Amortization of below-market leases	(204)	—	(204)	(127)	—	(127)
+ Compensation expense related to unit option plan	173	—	173	130	—	130
+ Accretion of liability component of convertible debentures	10	—	—	9	—	—
- Rental income – straight-line accounting for leases	(764)	—	(764)	(782)	—	(782)
- Amortization of fair value adjustments on assumed indebtedness	(31)	—	—	(31)	—	—
- Amortization of capitalized leasing costs	—	—	(2,598)	—	—	(2,131)
- Capital expenditures – maintenance of ability to generate rental income	—	—	(420)	—	—	(134)
	17,445	20,859	17,046	15,794	18,726	15,682

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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 – Interim Reports”.

**COMINAR REAL ESTATE INVESTMENT TRUST**

**CONSOLIDATED BALANCE SHEETS**

[unaudited, in thousands of dollars]

	As at March 31, 2009	As at December 31, 2008
	\$	\$
<b>ASSETS</b>		
Income properties		
Buildings	1,241,937	1,228,770
Land	202,211	199,211
Intangible assets	<u>77,893</u>	<u>79,106</u>
	1,522,041	1,507,087
Properties under development	98,521	72,945
Land held for future development	37,176	20,857
Capitalized leasing costs and other assets	45,061	44,141
Prepaid expenses	8,892	1,954
Accounts receivable	<u>26,444</u>	<u>21,352</u>
	1,738,135	1,668,336
<b>LIABILITIES</b>		
Mortgages payable	767,135	730,711
Convertible debentures	204,084	203,723
Bank indebtedness	218,401	186,987
Accounts payable and accrued liabilities	43,134	34,987
Distributions payable to unitholders	<u>5,505</u>	<u>—</u>
	1,238,259	1,156,408
<b>UNITHOLDERS' EQUITY</b>		
Unitholders' equity	<u>499,876</u>	<u>511,928</u>
	1,738,135	1,668,336

# CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY

For the quarters ended March 31  
[unaudited, in thousands of dollars]

	2009	2008
	\$	\$
<b>Unitholders' contributions</b>		
Balance, beginning of period	600,965	591,172
Issue of units	256	1,132
Balance, end of period	601,221	592,304
<b>Cumulative net income</b>		
Balance, beginning of period	272,399	247,779
Change due to new accounting policy	—	(365)
Net income	4,042	4,125
Balance, end of period	276,441	251,539
<b>Cumulative distributions</b>		
Balance, beginning of period	(362,817)	(298,080)
Distributions to unitholders	(16,523)	(15,369)
Balance, end of period	(379,340)	(313,449)
<b>Contributed surplus</b>		
Balance, beginning of period	1,069	513
Unit option plan	173	124
Balance, end of period	1,242	637
<b>Other equity component</b>		
Equity component of convertible debentures	312	312
<b>Total unitholders' equity</b>	<b>499,876</b>	<b>531,343</b>

# CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the quarters ended March 31  
[unaudited, in thousands of dollars except per unit amounts]

	2009	2008
	\$	\$
<b>Operating revenues</b>		
Rental revenue from income properties	67,867	57,333
<b>Operating expenses</b>		
Operating costs	14,887	11,959
Realty taxes and services	15,431	13,332
Property management expenses	865	592
	<b>31,183</b>	<b>25,883</b>
<b>Operating income before the undernoted</b>	<b>36,684</b>	<b>31,450</b>
Interest on borrowings	14,696	11,850
Depreciation of income properties	14,219	12,459
Amortization of capitalized leasing costs	2,598	2,124
Amortization of other assets	91	62
	<b>31,604</b>	<b>26,495</b>
<b>Operating income from real estate assets</b>	<b>5,080</b>	<b>4,955</b>
Trust administrative expenses	(1,093)	(879)
Other revenues	55	51
<b>Net income from continuing operations</b>	<b>4,042</b>	<b>4,127</b>
<b>Net loss from discontinued operations</b>	<b>—</b>	<b>(2)</b>
<b>Net income and comprehensive income</b>	<b>4,042</b>	<b>4,125</b>
<b>Basic net income per unit</b>	<b>0.088</b>	<b>0.091</b>
<b>Diluted net income per unit</b>	<b>0.088</b>	<b>0.090</b>

# CONSOLIDATED STATEMENTS OF CASH FLOWS

For the quarters ended March 31  
[unaudited, in thousands of dollars]

	2009	2008
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net income	4,042	4,125
Items not affecting cash:		
Depreciation of income properties	14,219	12,470
Amortization of below-market leases	(204)	(127)
Amortization of capitalized leasing costs	2,598	2,131
Amortization of capitalized financing costs and other assets	711	435
Amortization of fair value adjustments on assumed indebtedness	(31)	(31)
Accretion of liability component of convertible debentures	10	9
Compensation expense related to unit option plan	173	130
	<b>21,518</b>	<b>19,142</b>
Change in non-cash working capital items	<b>(4,802)</b>	<b>(14,590)</b>
	<b>16,716</b>	<b>4,552</b>
<b>INVESTING ACTIVITIES</b>		
Additions to income properties	(26,773)	(23,241)
Additions to properties under development and land held for future development	(28,930)	(5,907)
Capitalized leasing costs	(4,236)	(4,574)
Other assets	(94)	(540)
	<b>(60,033)</b>	<b>(34,262)</b>
<b>FINANCING ACTIVITIES</b>		
Mortgages payable	74,318	29,864
Repayment of mortgages payable	(51,546)	(55,228)
Bank indebtedness	31,307	70,505
Net proceeds from issue of units	(12)	572
Distributions to unitholders	(10,750)	(16,003)
	<b>43,317</b>	<b>29,710</b>
Net change in cash and cash equivalents	—	—
Cash and cash equivalents, beginning of period	—	—
Cash and cash equivalents, end of period	—	—