

**Press Release**  
For Immediate Release

**Cominar Announces Excellent Results  
and achievements  
for the Second Quarter Ended June 30, 2007**

- Closing of the acquisition of Alexis Nihon Real Estate Investment Trust's industrial and office property portfolio
  - Increases of 29.0% in operating revenues and 27.4% in net operating income
  - Recurring distributable income and funds from operations respectively up by 24.8% and 23.7%
  - Issues of convertible debentures and units for \$250.5 million net proceeds
- Subsequent event
- Monthly cash distributions increased from 10.5 cents to 11.0 cents per unit

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Quebec City, August 13, 2007 — Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) announces its results for the second quarter and six-month period ended June 30, 2007.

**Financial Highlights** (unaudited) (in thousands of \$, except per-unit amounts)

For the periods ended June 30	Quarter			Year-to-Date (Six Months)		
	2007	2006	% Δ	2007	2006	% Δ
Operating revenues	<b>42,615</b>	33,045	29.0	<b>78,049</b>	65,648	18.9
Net operating income	<b>25,456</b>	19,984	27.4	<b>45,282</b>	38,325	18.2
Net income	<b>8,690</b>	8,364	3.9	<b>16,014</b>	14,528	10.2
RDI <sup>(1)</sup>	<b>15,014</b>	12,030	24.8	<b>26,622</b>	22,302	19.4
Recurring FFO	<b>17,222</b>	13,923	23.7	<b>30,838</b>	26,093	18.2
Distributions	<b>13,206</b>	10,305	28.2	<b>24,584</b>	20,325	21.0
<b>Per unit (fully diluted)</b>						
RDI <sup>(1)</sup>	<b>0.37</b>	0.34	8.8	<b>0.68</b>	0.65	4.6
Recurring FFO <sup>(1)</sup>	<b>0.42</b>	0.39	7.7	<b>0.78</b>	0.74	5.4
Distributions (basic)	<b>0.312</b>	0.306	2.0	<b>0.618</b>	0.608	1.6

(1) Cominar incurred non-recurring expenses of \$0.6 million in the first quarter of 2006 in connection with its offer to acquire Alexis Nihon Real Estate Investment Trust.  
Cominar recorded non-recurring revenue of \$0.4 million from the public offering of subscription receipts issued in May 2007 and converted into units in June 2007 on the closing of the acquisition of the Alexis Nihon REIT properties.

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**Closing of the acquisition of Alexis Nihon's industrial and office property portfolio**

Cominar closed the acquisition of Alexis Nihon's industrial and office property portfolio, consisting of 35 industrial and 19 office buildings representing 6.5 million square feet of leasable space for a consideration of \$592.0 million.

## Cominar Real Estate Investment Trust — Press Release (continued)

**For the second quarter ended June 30, 2007, operating revenues** totalled \$42.6 million, up 29.0% over 2006. This increase is due to the contribution for approximately one month of the acquisition of Alexis Nihon's industrial and office property portfolio and the other acquisitions integrated since the beginning of 2006, to which is added the strong performance of the existing property portfolio. This growth, combined with the solid first-quarter results, brought **operating revenues for the first six months of 2007** to \$78.0 million, an increase of \$12.4 million or 18.9% over the same period in 2006.

**Second-quarter net operating income** totalled \$25.5 million, up 27.4% over the equivalent period of 2006. **Net operating income for the first six months** grew by 18.2% to \$45.3 million.

**Recurring distributable income ("RDI") for the second quarter** amounted to \$15.0 million, up 24.8% over \$12.0 million in 2006. Fully diluted RDI per unit rose to \$0.37 from \$0.34 in the second quarter of 2006. **RDI for the first six months** grew by 19.4% to \$26.6 million from \$22.3 million in 2006. Fully diluted RDI per unit totalled \$0.68, compared with \$0.65 in 2006.

**Recurring funds from operations ("recurring FFO")** increased by 23.7% to \$17.2 million **for the second quarter**, compared with \$13.9 million for the corresponding quarter of 2006. Fully diluted recurring FFO per unit amounted to \$0.42, up 7.7% over 2006. **For the first six months, recurring FFO** grew by 18.2% to \$30.8 million, compared with \$26.1 million for the equivalent period of 2006. Fully diluted recurring FFO per unit rose to \$0.78, an increase of 5.4% over 2006.

In the second quarter, Cominar paid **distributions** of \$13.2 million to unitholders, an increase of 28.2% over the distributions paid in the corresponding quarter of 2006. **Distributions per unit** rose to \$0.312 from \$0.306 the previous year.

"The closing of the Alexis Nihon acquisition was the highlight of our second quarter, which also reflected excellent results. During the first six months, we acquired land in the Greater Quebec City and Montreal areas representing 2.6 million square feet and a \$10.7 million investment. We have acquired a total of 67 properties so far in 2007. Since its inception, our real estate portfolio's has increased more than sixfold, as well as its gross book value which has grown to approximately \$1.5 billion," indicated Michel Dallaire, President and Chief Executive Officer of Cominar.

### **Debenture and Unit Issues**

On May 8, 2007, Cominar issued \$80.5 million in Series B convertible unsecured subordinated debentures bearing interest at a rate of 5.70% per annum and maturing in June 2014.

On June 5, 2007, the REIT issued 7,113,000 units for total gross proceeds of \$170.0 million pursuant to the exchange of the subscription receipts issued under the prospectus dated April 27, 2007. This exchange was conditional on the acquisition of Alexis Nihon's industrial and office properties.

### **Debt Ratio**

As at June 30, 2007, Cominar's **ratio of debt to gross book value** stood at 56.8%, which would allow it to acquire up to \$358 million in properties at the maximum debt ratio of 65% authorized by its Contract of Trust at the last Annual Meeting of Unitholders.

### **Operational Highlights**

**Portfolio occupancy** stood at 93.5% on June 30, 2007, compared with 94.8% as at March 31, 2007. This variation is primarily attributable to the properties acquired from Alexis Nihon, which had lower occupancy rate than those of Cominar at that date.

### **Increased Monthly Cash Distributions**

Considering Cominar's strong performance as well as the quality of its acquisitions and developments, the Board of Trustees elected to increase monthly cash distributions to unitholders from 10.5 cents per unit to 11.0 cents per unit, representing a 4.8% increase. The increase will be effective with the August 2007 distribution payable in September 2007.

### **Outlook**

"In upcoming quarters, we will pursue our scheduled development program while completing the integration of our latest acquisitions. We are confident we will identify new expansion opportunities that will create value for the long term. Cominar is better positioned than ever to achieve growing returns in the future," concluded Michel Dallaire.

### **Additional Financial Information**

Cominar's interim consolidated financial statements and the management's discussion and analysis for the second quarter and six-month period ended June 30, 2007 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).

### **Conference Call and Webcast**

On **Monday, August 13, 2007, at 11:30 a.m. (EDT)**, Cominar's management will hold a conference call to discuss the second-quarter results. Anyone who is interested may take part in this call by dialing **1-866-249-2157**. A presentation of the second-quarter results will be available at [www.cominar.com](http://www.cominar.com) under the title "Conference Call." The event will also be webcast on [www.q1234.com](http://www.q1234.com).

### **PROFILE as at August 13, 2007**

Cominar is one of the largest retail property owners and managers in the Province of Quebec. The REIT owns a real estate portfolio of **206 high-quality properties, consisting of 37 office, 36 retail and 133 industrial and mixed-use buildings that cover a total area of over 17.2 million square feet in the Greater Quebec City, Montreal and Gatineau/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.

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).

**Forward-Looking Statements and Non-GAAP Financial Measures**

*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 use of forward looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intends”, “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 and Cominar has no obligation to update such statements.*

*Net operating income (“NOI”), 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.*

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Cominar Real Estate Investment Trust — Press Release (continued)

The complete interim consolidated financial statements, including the notes thereto, are available on Cominar website at [www.cominar.com](http://www.cominar.com) under “Investor Relations – Quarterly Reports”.

**COMINAR REAL ESTATE INVESTMENT TRUST**  
**Consolidated Balance Sheets**

[In thousands of dollars]	As at June 30, 2007 [unaudited] \$	As at December 31, 2006 [audited] \$
<b>ASSETS</b>		
Income properties	1,359,598	711,441
Properties under development	31,455	16,628
Land held for future development	14,637	7,604
Deferred expenses and other assets	30,490	28,057
Prepaid expenses	17,826	2,654
Accounts receivable	18,512	20,071
	<b>1,472,518</b>	<b>786,455</b>
<b>LIABILITIES AND UNITHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Mortgages payable	626,777	270,142
Convertible debentures	106,947	39,984
Bank indebtedness	143,791	73,616
Accounts payable and accrued liabilities	41,882	21,606
Distributions payable to unitholders	4,689	4,099
	<b>924,086</b>	<b>409,447</b>
<b>Unitholders' equity</b>		
Unitholders' contributions	580,683	400,698
Cumulative net income	234,552	218,538
Cumulative distributions	(267,210)	(242,626)
Contributed surplus	407	398
	<b>548,432</b>	<b>377,008</b>
	<b>1,472,518</b>	<b>786,455</b>

Cominar Real Estate Investment Trust — Press Release (continued)

**COMINAR REAL ESTATE INVESTMENT TRUST**  
**Consolidated Statements of Unitholders' Equity**

Period ended June 30,	Quarter		Cumulative (six months)	
	2007	2006	2007	2006
[unaudited, in thousands of dollars]	\$	\$	\$	\$
<b>Unitholders' contributions</b>				
Balance, beginning of period	412,707	343,975	400,698	338,230
Issue of units	173,828	18,409	185,837	24,154
Underwriters' fees and offering costs	(5,852)	-	(5,852)	-
Balance, end of period	580,683	362,384	580,683	362,384
<b>Cumulative net income</b>				
Balance, beginning of period	225,862	190,627	218,538	184,463
Net income	8,690	8,364	16,014	14,528
Balance, end of period	234,552	198,991	234,552	198,991
<b>Cumulative distributions</b>				
Balance, beginning of period	(254,004)	(209,922)	(242,626)	(199,902)
Distributions to unitholders	(13,206)	(10,305)	(24,584)	(20,325)
Balance, end of period	(267,210)	(220,227)	(267,210)	(220,227)
<b>Contributed surplus</b>				
Balance, beginning of period	403	361	398	351
Unit option plan	4	(19)	9	(9)
Balance, end of period	407	342	407	342
<b>Unitholders' equity</b>	<b>548,432</b>	<b>341,490</b>	<b>548,432</b>	<b>341,490</b>

**COMINAR REAL ESTATE INVESTMENT TRUST**  
**Consolidated Statements of Income and Comprehensive Income**

Period ended June 30, [unaudited, in thousands of dollars except per unit amounts]	Quarter		Cumulative (six months)	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>Operating revenues</b>				
Rental revenue from income properties	<b>42,615</b>	33,045	<b>78,049</b>	65,648
<b>Operating expenses</b>				
Operating costs	<b>7,533</b>	6,034	<b>15,355</b>	13,286
Realty taxes and services	<b>9,228</b>	6,741	<b>16,792</b>	13,459
Property management expenses	<b>398</b>	286	<b>620</b>	578
	<b>17,159</b>	13,061	<b>32,767</b>	27,323
<b>Operating income before the undernoted</b>	<b>25,456</b>	19,984	<b>45,282</b>	38,325
Interest on borrowings	<b>7,434</b>	5,739	<b>13,065</b>	11,449
Depreciation of income properties	<b>7,207</b>	4,019	<b>11,827</b>	7,902
Amortization of deferred leasing costs	<b>1,747</b>	1,517	<b>3,419</b>	3,064
Amortization of other assets	<b>52</b>	40	<b>102</b>	85
	<b>16,440</b>	11,315	<b>28,413</b>	22,500
<b>Operating income from real estate assets</b>	<b>9,016</b>	8,669	<b>16,869</b>	15,825
Trust administrative expenses	<b>831</b>	498	<b>1,452</b>	1,071
Other revenues	<b>83</b>	105	<b>175</b>	153
Unusual items	<b>422</b>	-	<b>422</b>	(554)
<b>Net income from continuing operations</b>	<b>8,690</b>	8,276	<b>16,014</b>	14,353
<b>Net income from discontinued operations</b>	<b>-</b>	88	<b>-</b>	175
<b>Net income and comprehensive income</b>	<b>8,690</b>	8,364	<b>16,014</b>	14,528
<b>Basic net income per unit</b>	<b>0.221</b>	0.250	<b>0.420</b>	0.451
<b>Diluted net income per unit</b>	<b>0.217</b>	0.246	<b>0.413</b>	0.430

Cominar Real Estate Investment Trust — Press Release (continued)

**COMINAR REAL ESTATE INVESTMENT TRUST**  
**Consolidated Statements of Cash Flows**

Period ended June 30,	Quarter		Cumulative (six months)	
	2007	2006	2007	2006
[unaudited, in thousands of dollars]	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net income	<b>8,690</b>	8,364	<b>16,014</b>	14,528
Adjustments for:				
Depreciation of income properties	<b>7,207</b>	4,042	<b>11,827</b>	7,947
Amortization of above- (below-) market leases	<b>(38)</b>	30	<b>(8)</b>	60
Amortization of deferred leasing costs	<b>1,747</b>	1,517	<b>3,419</b>	3,064
Amortization of deferred financing costs and other assets	<b>169</b>	177	<b>358</b>	352
Compensation costs related to unit option plan	<b>50</b>	31	<b>99</b>	62
	<b>17,825</b>	14,161	<b>31,709</b>	26,013
Change in non-cash working capital items	<b>(1,729)</b>	(3,951)	<b>(3,998)</b>	(10,660)
	<b>16,096</b>	10,210	<b>27,711</b>	15,353
<b>FINANCING ACTIVITIES</b>				
Mortgages payable	<b>132,947</b>	59,433	<b>167,987</b>	59,433
Repayments of mortgages payable	<b>(44,324)</b>	(12,829)	<b>(56,750)</b>	(17,336)
Bank indebtedness	<b>45,405</b>	(40,801)	<b>70,175</b>	(17,878)
Distributions to unitholders	<b>(11,893)</b>	(9,948)	<b>(23,289)</b>	(19,845)
Net proceeds from issue of units	<b>165,503</b>	1,186	<b>168,580</b>	4,771
Net proceeds from issue of convertible debentures	<b>77,386</b>	-	<b>77,386</b>	-
	<b>365,024</b>	(2,959)	<b>404,089</b>	9,145
<b>INVESTING ACTIVITIES</b>				
Additions to income properties	<b>(363,555)</b>	(4,888)	<b>(403,965)</b>	(18,608)
Additions to properties under development and land held for future development	<b>(14,383)</b>	(198)	<b>(22,832)</b>	(2,991)
Leasing costs	<b>(3,062)</b>	(2,165)	<b>(4,818)</b>	(2,726)
Other assets	<b>(120)</b>	-	<b>(185)</b>	(173)
	<b>(381,120)</b>	(7,251)	<b>(431,800)</b>	(24,498)
<b>Net change in cash and cash equivalents</b>	-	-	-	-
Cash and cash equivalents, beginning of period	-	-	-	-
<b>Cash and cash equivalents, end of period</b>	-	-	-	-