

**Press Release**  
For Immediate Release

**Cominar Announces First Quarter 2007 Results  
and Increased Cash Distributions**

- Increases of 8.7% in operating revenues and 8.1% in net operating income
- Recurring net income up 9.0%
- Recurring distributable income and funds from operations up 13.0% and 11.9% respectively
- Agreement with Homburg to acquire 6.5 million square feet of Alexis Nihon portfolio for \$592 million
- Acquisitions and developments representing 0.4 million square feet of space for a \$35.2 million total investment
- Ongoing and upcoming developments representing a \$33.0 million total investment
- Subsequent events: \$250.5 million issue of subscription receipts and convertible debentures and other financing arrangements
- Monthly cash distributions increased from 10.2 cents to 10.5 cents per unit

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Quebec City, May 15, 2007—Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) today announced its results for the first quarter ended March 31, 2007.

**Financial Highlights**

For the quarter ended March 31 (unaudited) (in thousands of dollars, except per-unit amounts)	2007	2006	% Change
Operating revenues	\$35,434	\$32,603	8.7 %
Net operating income	19,826	18,341	8.1
Recurring net income <sup>(1)</sup>	7,324	6,718	9.0
RDI <sup>(1)</sup>	11,608	10,272	13.0
Recurring FFO <sup>(1)</sup>	13,616	12,170	11.9
Distributions	11,378	10,020	13.6
<b>Per unit (fully diluted)</b>			
RDI <sup>(1)</sup>	\$0.31	\$0.30	3.3 %
Recurring FFO <sup>(1)</sup>	0.36	0.35	2.9
Distributions (basic)	0.306	0.302	

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<sup>(1)</sup> Excluding \$554 in non-recurring expenses incurred in the first quarter of 2006 in connection with Cominar's offer for Alexis Nihon Real Estate Investment Trust.

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

For the quarter ended March 31, 2007, Cominar's **operating revenues** amounted to \$35.4 million, up 8.7% over the first quarter of 2006. This increase is due mainly to revenues generated by the acquisition and integration of new properties since the first quarter of 2006 and the strong performance of the existing property portfolio. **Net operating income** stood at \$19.8 million, up 8.1% over the corresponding quarter of the previous year.

**Recurring distributable income ("RDI")** for the first quarter of 2007 totalled \$11.6 million, compared with \$10.3 million in the first quarter of 2006, an increase of 13.0%. RDI per unit (fully diluted) amounted to \$0.31, up from \$ 0.30 in the first quarter of 2006.

**Recurring funds from operations ("Recurring FFO")** grew by 11.9% to \$13.6 million in the first three months of the year. Recurring FFO per unit (fully diluted) amounted to \$0.36, up 2.9 % from the first quarter of 2006.

For the first quarter of 2007, **recurring net income** stood at \$7.3 million, compared with \$6.7 million in 2006, an increase of 9.0%.

In the first quarter of 2007, Cominar paid **distributions** of \$11.4 million to unitholders, up 13.6% over the distributions paid in the first quarter of 2006. **Distributions per unit** rose to \$0.306 from \$0.302 the previous year.

"In the first quarter, we continued to increase the value of our real estate portfolio by completing acquisitions and developments representing 0.4 million square feet and a \$35.2 million investment at a 9.3% weighted average capitalization rate," said Michel Dallaire, Cominar's President and Chief Executive Officer. "In addition, we have ongoing and upcoming development projects totalling \$33 million," he added.

As at March 31, 2007, Cominar's debt to gross book value ratio stood at 47.3%, providing it with \$155.0 million to finance future acquisitions and developments at its preferred debt ratio of 55%.

### **Operational Highlights**

Portfolio occupancy stood at 94.8% at the end of the first quarter of 2007, which compares favourably with occupancy as at March 31, 2006.

### **Acquisition of Alexis Nihon REIT Properties**

On February 20, 2007, Cominar announced that it had entered into a binding asset purchase agreement with Homburg Invest Inc. ("Homburg"), pursuant to which Cominar agreed to purchase 6.5 million square feet of office and industrial properties of Alexis Nihon Real Estate Investment Trust ("Alexis Nihon") for a consideration of \$592 million (the "Acquisition"). The Acquisition was conditional upon the success of Homburg's offer for Alexis Nihon. On April 6, 2007, Homburg and Alexis Nihon announced that Homburg was successful in its offer to purchase Alexis Nihon units.

Cominar currently expects the Acquisition to close in late May 2007.

### **Acquisition and Development Program**

During the first quarter of 2007, Cominar completed acquisitions and developments representing approximately 0.4 million square feet of leasable space for a \$35.2 million investment at a 9.3% weighted average capitalization rate, as well as lots for future development totalling \$9.6 million. As of today, the REIT has over \$33 million in ongoing and upcoming development projects

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

representing 0.5 million square feet of space, which should be integrated into the portfolio in 2007.

### **Subsequent Events – \$250.5 million Issue of Subscription Receipts and Convertible Debentures and Other Financing Arrangements**

On May 8, 2007, Cominar completed a \$250.5 million issue of subscription receipts and convertible debentures, representing \$170 million in subscription receipts at a price of \$23.90 each, and \$80.5 million in convertible unsecured subordinated debentures bearing interest at an annual rate of 5.70% and maturing December 31, 2014. The net proceeds from the issue will be used, among others, to partially finance the Acquisition and to repay certain loans.

The Dallaire family, one of the principal unitholders of the REIT, purchased some 1,500,000 of the subscription receipts pursuant to the issue, representing a total investment of approximately \$35 million. The Dallaire family's interest in the REIT was thus maintained at approximately 19.8%.

On April 23, 2007, the REIT entered into an \$82.3 million lending agreement with a financial institution. Furthermore, on May 7, 2007, Cominar signed an agreement with another financial institution for a \$60 million increase in its general acquisition facilities, bringing such facilities to \$178 million.

### **Increased Monthly Cash Distributions**

As a result of Cominar's strong performance and outlook, the Board of Trustees elected to increase monthly cash distributions to unitholders from 10.2 cents to 10.5 cents per unit, representing a 3% increase. The increase will be effective with the May 2007 distribution payable in June 2007.

### **Outlook**

"We have every reason to be confident about Cominar's future. Fiscal 2007 is off to a good start with our most significant transaction to date about to close. Our proposed \$592 million acquisition of the office and industrial portfolio of Alexis Nihon will bring our asset base to over \$1.4 billion and is expected to be immediately accretive to our distributable income and funds from operations," Michel Dallaire concluded.

### **Additional Financial Information**

Cominar's consolidated financial statements and the management's discussion and analysis for the quarter ended March 31, 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 Tuesday, May 15, 2007, at 2:30 p.m. EDT, Cominar's management will hold a conference call to discuss the first quarter 2007 results. Anyone who is interested may take part in this call by dialing 1-800-732-9307. A presentation of the first 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 May 15, 2007**

Cominar is one of the largest commercial property owners and managers in the Province of Quebec. The REIT owns a real estate portfolio of **145 high-quality properties, consisting of 16 office, 32 retail and 97 industrial and mixed-use buildings that cover a total area of**

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

**10.5 million square feet in the Greater Quebec City, Montreal and Ottawa/Gatineau 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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For more information, please contact:

**Michel Dallaire, P.Eng.**, President and Chief Executive Officer

**Michel Berthelot, CA**, Executive Vice President and Chief Financial Officer

**Tel: (418) 681-8151**

[mdallaire@cominar.com](mailto:mdallaire@cominar.com)

[mberthelot@cominar.com](mailto:mberthelot@cominar.com)

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The complete consolidated financial statements, including the related notes, are available on Cominar’s website [www.cominar.com](http://www.cominar.com) under “Quarterly Reports” and on SEDAR at [www.sedar.com](http://www.sedar.com).

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

[in thousands of dollars]	As at March 31, 2007 (unaudited) \$	As at December 31, 2006 (audited) \$
<b>ASSETS</b>		
Income properties	758,546	711,441
Properties under development	20,572	16,628
Land held for future development	12,769	7,604
Deferred expenses and other assets	28,652	28,057
Prepaid expenses	8,505	2,654
Accounts receivable	15,470	20,071
	<b>844,514</b>	<b>786,455</b>
<b>LIABILITIES AND UNITHOLDERS’ EQUITY</b>		
<b>Liabilities</b>		
Mortgages payable	300,247	270,142
Convertible debentures	31,477	39,984
Bank indebtedness	98,386	73,616
Accounts payable and accrued liabilities	25,629	21,606
Distributions payable to unitholders	3,807	4,099
	<b>459,546</b>	<b>409,447</b>
<b>Unitholders’ equity</b>		
Unitholders’ contributions	412,707	400,698
Cumulative net income	225,862	218,538
Cumulative distributions	(254,004)	(242,626)
Contributed surplus	403	398
	<b>384,968</b>	<b>377,008</b>
	<b>844,514</b>	<b>786,455</b>

Cominar Real Estate Investment Trust — Press Release (continued)

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

<b>Period of three months ended March 31</b> [unaudited, in thousands of dollars]	<b>2007</b> \$	<b>2006</b> \$
<b>Unitholders' contributions</b>		
Balance, beginning of period	400,698	338,230
Issue of units	12,009	5,745
Balance, end of period	412,707	343,975
<b>Cumulative net income</b>		
Balance, beginning of period	218,538	184,463
Net income	7,324	6,164
Balance, end of period	225,862	190,627
<b>Cumulative distributions</b>		
Balance, beginning of period	(242,626)	(199,902)
Distributions to unitholders	(11,378)	(10,020)
Balance, end of period	(254,004)	(209,922)
<b>Contributed surplus</b>		
Balance, beginning of period	398	351
Unit option plan	5	10
Balance, end of period	403	361
<b>Unitholders' equity</b>	<b>384,968</b>	<b>325,041</b>

Cominar Real Estate Investment Trust — Press Release (continued)

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

<b>Period of three months ended March 31</b>	<b>2007</b>	<b>2006</b>
[unaudited, in thousands of dollars, except per-unit amounts]	\$	\$
<b>Operating revenues</b>		
Rental revenue from income properties	35,434	32,603
<b>Operating expenses</b>		
Operating costs	7,822	7,252
Realty taxes and services	7,564	6,718
Property management expenses	222	292
	15,608	14,262
<b>Operating income before the undernoted</b>	<b>19,826</b>	<b>18,341</b>
Interest on borrowings	5,631	5,710
Depreciation of income properties	4,620	3,883
Amortization of deferred leasing costs	1,672	1,547
Amortization of other assets	50	45
	11,973	11,185
<b>Operating income from real estate assets</b>	<b>7,853</b>	<b>7,156</b>
<b>Trust administrative expenses</b>	<b>621</b>	<b>573</b>
<b>Other revenues</b>	<b>92</b>	<b>48</b>
<b>Unusual item</b>	<b>—</b>	<b>554</b>
<b>Net income from continuing operations</b>	<b>7,324</b>	<b>6,077</b>
<b>Net income from discontinued operations</b>	<b>—</b>	<b>87</b>
<b>Net income and comprehensive income</b>	<b>7,324</b>	<b>6,164</b>
<b>Basic net income per unit</b>	<b>0.198</b>	<b>0.187</b>
<b>Diluted net income per unit</b>	<b>0.195</b>	<b>0.184</b>

Cominar Real Estate Investment Trust — Press Release (continued)

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

<b>Period of three months ended March 31</b> [unaudited, in thousands of dollars]	<b>2007</b> \$	<b>2006</b> \$
<b>OPERATING ACTIVITIES</b>		
Net income	7,324	6,164
Items not affecting cash		
Depreciation of income properties	4,620	3,905
Amortization of above-market leases	30	30
Amortization of deferred leasing costs	1,672	1,547
Amortization of deferred financing costs and other assets	189	175
Compensation costs related to unit option plan	49	31
	<b>13,884</b>	<b>11,852</b>
Change in non-cash operating working capital items	<b>(2,269)</b>	<b>(6,709)</b>
	<b>11,615</b>	<b>5,143</b>
<b>FINANCING ACTIVITIES</b>		
Mortgages payable	35,140	—
Repayments of mortgages payable	(12,426)	(4,507)
Bank indebtedness	24,770	22,923
Financing costs	(100)	—
Distributions to unitholders	(11,396)	(9,897)
Net proceeds from issue of units	3,077	3,585
	<b>39,065</b>	<b>12,104</b>
<b>INVESTING ACTIVITIES</b>		
Acquisitions of income properties	(40,410)	(13,720)
Acquisitions of properties under development and land held for future development	(8,449)	(2,793)
Leasing costs	(1,756)	(561)
Other assets	(65)	(173)
	<b>(50,680)</b>	<b>(17,247)</b>
<b>Net change in cash and cash equivalents</b>	<b>—</b>	<b>—</b>
Cash and cash equivalents, beginning of period	—	—
<b>Cash and cash equivalents, end of period</b>	<b>—</b>	<b>—</b>