

**Press Release**  
For Immediate Publication

## Cominar announces solid growth in fiscal 2006

- 20.7% annual return per unit, including reinvestment of distributions and increase in unit price
- Increases of 8.3% in operating revenues and 9.0% in net operating income
- Recurring distributable income and funds from operations per unit up 3.8% and 5.4%, respectively
- Closed acquisitions and completed developments representing a million square feet of space for a \$67 million total investment
- Ongoing and upcoming developments represent a \$39 million total investment
- Subsequent events: agreement with Homburg to acquire 6.5 million square feet of Alexis Nihon portfolio for \$592 million and four acquisitions
- New addition to Board of Trustees: Gérard Coulombe, Q.C., Chairman of the Board of Desjardins Ducharme L.L.P.

### TSX - CUF.UN

Quebec City, March 14, 2007—Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) announced today solid financial results for the fourth quarter and for the fiscal year ended December 31, 2006.

### Financial Highlights 2006 Results

For the year ended December 31 (Dollar amounts in thousands, except per unit amounts)	2006	2005	% Change
Operating revenues	\$131,686	\$121,561	8.3%
Net operating income	80,271	73,644	9.0
Recurring net income <sup>(1)</sup>	33,794	31,079	8.7
RDI <sup>(2)</sup>	48,615	44,749	8.6
Recurring FFO <sup>(2)</sup>	56,209	51,363	9.4
Recurring AFFO <sup>(2)</sup>	46,246	41,115	12.5
Cash distributions	42,724	39,549	8.0
<b>Per unit (fully diluted)</b>			
RDI <sup>(2)</sup>	\$1.36	\$1.31	3.8%
Recurring FFO <sup>(2)</sup>	1.56	1.48	5.4
Recurring AFFO <sup>(2)</sup>	1.30	1.22	6.6
Cash distributions(basic)	1.23	1.21	1.7

(1) Excluding gains on sale of real estate assets of \$835 and \$248 realized in 2006 and 2005, respectively, and \$554 in non-recurring expenses incurred in the first quarter of 2006 in connection with our offer for Alexis Nihon Real Estate Investment Trust.

(2) Excluding \$554 in non-recurring expenses incurred in the first quarter of 2006 in connection with our offer for Alexis Nihon Real Estate Investment Trust.

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

For the fiscal year ended December 31, 2006, Cominar's **operating revenues** amounted to \$131.7 million, an 8.3% increase over fiscal 2005. The increase was mainly the effect of new revenue generated through the acquisition and integration of new properties throughout the year and the strong performance of our existing property portfolio. **Net operating income** stood at \$80.3 million, up 9.0% from the previous year.

For comparison purposes, the calculations of distributable income, funds from operations and adjusted funds from operations were adjusted to exclude \$554,000 in non-recurring expenses incurred in the first quarter of the year in connection with our offer for Alexis Nihon Real Estate Investment Trust.

Taking this adjustment into consideration, **recurring distributable income ("RDI")** for fiscal 2006 was \$48.6 million compared to \$44.7 million in 2005, an increase of 8.6%. Per fully diluted unit, RDI was \$1.36 compared to \$1.31 for 2005, up 3.8%.

**Recurring funds from operations ("Recurring FFO")** increased in 2006 by 9.4% to \$56.2 million. Per fully diluted unit, they stood at \$1.56 compared to \$1.48 in 2005, a 5.4% increase.

**Recurring adjusted funds from operations** were at \$46.2 million compared to \$41.1 million in fiscal 2005. On a fully diluted per unit basis, they were up 6.6%.

The calculation of net income was also adjusted to exclude the non-recurring expenses mentioned above and gains of \$835,000 and \$248,000 from the sale of real estate assets in 2006 and 2005, respectively. For 2006, **recurring net income** stood at \$33.8 million, compared to \$31.1 million in 2005, up 8.7%.

In 2006, Cominar paid **total distributions** of \$42.7 million to unitholders, up 8.0% over total distributions in 2005. **Distribution per unit** stood at \$1.23 compared to \$1.21 for the previous fiscal year.

"Over the past five years, including the reinvestment of distributions and the increase in unit price, Cominar's average annual return per unit was 19.2%, which is a solid performance. In 2006, we continued to increase the value of the real estate portfolio by closing acquisitions and completing developments representing approximately one million square feet for a \$67 million investment at a 9.5% weighted average capitalization rate" said Cominar's President and Chief Executive Officer Michel Dallaire. "In addition, we have ongoing and upcoming development projects totalling \$39 million", he added.

As at December 31, 2006, Cominar's debt to gross book value ratio stood at 45.6%, providing it with \$177.5 million to fund future acquisitions and developments at its preferred debt ratio of 55%.

### **Fourth Quarter Results**

For the quarter ended December 31, 2006, **operating revenues** were \$33.4 million versus 31.1 million for the comparable period in 2005, a 7.6% increase. **Net operating income** increased to \$21.1 million from \$19.7 million in the fourth quarter of 2005, up 7.2%. **RDI** was \$13.4 million, compared to \$12.3 million for the previous corresponding period. On a per unit basis, **RDI** was up one cent from \$0.35 in 2005 to \$0.36 in 2006.

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

**Recurring FFO** for the fourth quarter increased 8.8% from 2005. On a per unit basis, they were also up one cent.

### **Operational Highlights**

Portfolio occupancy stood at 94.4% at the end of 2006, slightly down from 95.3% in 2005, as a result of the bankruptcy, in the third quarter, of a tenant which was the sole occupant of a 275,000 square foot industrial and mixed-use property in Laval, offset by gains in the office and retail sectors. Leasing activities remained strong during the year with 85.6% of leases expiring in 2006 renewed, an all time high. In addition, Cominar was able to sign new leases representing 0.6 million square feet of space. Rental rates upon renewal were up in all three sectors of activity.

### **Acquisition and Development Program**

Cominar closed acquisitions and completed developments representing approximately one million square feet of leasable space during fiscal 2006, for a \$67 million investment, at a 9.5% weighted average capitalization rate. As of today, the REIT had over \$39 million of ongoing and upcoming development projects representing 0.6 million square feet of space, which should be integrated into the portfolio in 2007.

### **Subsequent Events**

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 sum of \$592 million. The transaction is conditional upon the success of Homburg’s offer for Alexis Nihon.

Up to now in 2007, the REIT has acquired four properties representing 112,146 square feet of space for a total investment of \$8.2 million at a weighted average capitalization rate of 9.1%, and land for future developments totalling \$9.6 million.

### **Changes to Board of Trustees**

Cominar is also pleased to announce the appointment of Gérard Coulombe, Q.C. as Trustee. In order to allow Mr. Coulombe to join the Board of Trustees and to increase the number of non-management trustees, Michel Berthelot has resigned as Trustee but remains Executive Vice President and Chief Financial Officer of the REIT.

“Gérard Coulombe brings a wealth of experience to us” said Michel Dallaire. “I am delighted that he has agreed to take on this role within Cominar.”

Mr. Coulombe holds a law degree from Ottawa University and has done post-graduate studies at Oxford University, where he was a Rhodes Scholar. He is Chairman of the Board of Desjardins Ducharme L.L.P., a leading Quebec law firm, where he practises business law. He is listed by LEXPERT as a leading practitioner in banking, corporate finance and securities, and mergers and acquisitions. He sits on the board of directors of several corporations, including the National Bank of Canada, the National Bank Life Insurance Company and National Bank Trust. Mr. Coulombe will sit on Cominar’s Governance and Nominating Committee as well as on the Compensation Committee.

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

### **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 just announced. Our proposed \$592 million acquisition of the office and industrial portfolio of Alexis Nihon, which represents approximately 72% of its leasable space, 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 fiscal year ended December 31, 2006 will be on file 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 Wednesday, March 14, 2007, at 11:30 a.m. EST, Cominar's management will hold a conference call to discuss the fiscal 2006 results. Anyone who is interested may take part in this call by dialing 1-800-732-9307. A presentation of the 2006 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 March 14, 2007**

Cominar is one of the largest commercial real estate property owners and managers in the province of Quebec. It owns a high quality portfolio of **143 properties in the Greater Montreal and Quebec City areas, consisting of 15 office, 31 retail, and 97 industrial and mixed-use buildings, totalling over 10.3 million square feet.** The REIT's objectives are to deliver to its unitholders growing cash distributions and to maximize unitholder value through proactive management and the growth of its portfolio.

Cominar has a distribution reinvestment plan for its unitholders that allows participants to reinvest their monthly cash 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 enrollment 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 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.

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

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)

Cominar Real Estate Investment Trust — Press Release (continued)

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**

As at December 31, (in thousands of dollars)	2006 \$	2005 \$
<b>ASSETS</b>		
Income properties	711,441	658,855
Properties under development	16,628	22,777
Land held for future development	7,604	1,243
Deferred expenses and other assets	31,819	30,009
Prepaid expenses	2,654	2,355
Accounts receivable	20,071	12,343
	<b>790,217</b>	<b>725,582</b>
<b>LIABILITIES AND UNITHOLDERS’ EQUITY</b>		
<b>Liabilities</b>		
Mortgages payable	270,649	253,581
Convertible debentures	43,239	97,535
Bank indebtedness	73,616	25,811
Accounts payable and accrued liabilities	21,606	21,890
Distributions payable to unitholders	4,099	3,623
	<b>413,209</b>	<b>402,440</b>
<b>Unitholders’ equity</b>		
Unitholders’ contributions	400,698	338,230
Cumulative net income	218,538	184,463
Cumulative distributions	(242,626)	(199,902)
Contributed surplus	398	351
	<b>377,008</b>	<b>323,142</b>
	<b>790,217</b>	<b>725,582</b>

Cominar Real Estate Investment Trust — Press Release (continued)

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

Period ended December 31, (in thousands of dollars)	2006 \$	2005 \$
<b>Unitholders' contributions</b>		
Balance, beginning of year	338,230	328,433
Issue of units	62,468	9,797
Balance, end of year	400,698	338,230
<b>Cumulative net income</b>		
Balance, beginning of year	184,463	153,136
Net income	34,075	31,327
Balance, end of year	218,538	184,463
<b>Cumulative distributions</b>		
Balance, beginning of year	(199,902)	(160,353)
Distributions to unitholders	(42,724)	(39,549)
Balance, end of year	(242,626)	(199,902)
<b>Contributed surplus</b>		
Balance, beginning of year	351	252
Unit option plan	47	99
Balance, end of year	398	351
<b>Unitholders' equity</b>	<b>377,008</b>	<b>323,142</b>

Cominar Real Estate Investment Trust — Press Release (continued)

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

Period ended December 31, (in thousands of dollars except per unit amounts)	2006 \$	2005 \$
<b>Operating revenues</b>		
Rental revenue from income properties	131,686	121,561
<b>Operating expenses</b>		
Operating costs	25,491	24,609
Realty taxes and services	24,919	22,065
Property management expenses	1,005	1,243
	51,415	47,917
<b>Operating income before the under noted</b>	80,271	73,644
Interest on borrowings	22,021	20,533
Depreciation of income properties	16,188	14,678
Amortization of deferred leasing costs	6,139	5,491
Amortization of deferred financing costs and other assets	728	703
	45,076	41,405
<b>Operating income from real estate assets</b>	35,195	32,239
<b>Trust administrative expenses</b>	2,130	1,757
<b>Other revenues</b>	488	238
<b>Unusual item</b>	554	—
<b>Net income from continuing operations</b>	32,999	30,720
<b>Net income from discontinued operations</b>	1,076	607
<b>Net income</b>	34,075	31,327
<b>Basic net income per unit</b>	0.992	0.961
<b>Diluted net income per unit</b>	0.977	0.946



Cominar Real Estate Investment Trust — Press Release (continued)

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

Period ended December 31, (in thousands of dollars)	2006 \$	2005 \$
<b>OPERATING ACTIVITIES</b>		
Net income	34,075	31,327
Items not affecting cash		
Depreciation of income properties	16,276	14,793
Amortization of above-market leases	120	120
Amortization of deferred leasing costs	6,139	5,491
Amortization of deferred financing costs and other assets	728	703
Compensation costs related to unit option plan	179	200
Gain on sale of real estate assets	(835)	(248)
	56,682	52,386
Change in non-cash operating working capital items	(5,269)	2,634
	51,413	55,020
<b>FINANCING ACTIVITIES</b>		
Mortgages payable	59,652	—
Repayments of mortgages payable	(42,584)	(9,693)
Bank indebtedness	47,805	25,811
Financing costs	(385)	—
Distributions to unitholders	(40,876)	(38,347)
Net proceeds from issue of units <i>[note 10]</i>	6,668	6,101
	30,280	(16,128)
<b>INVESTING ACTIVITIES</b>		
Acquisitions of income properties	(59,260)	(24,281)
Acquisitions of properties under development and land held for future development	(15,122)	(14,305)
Net proceeds on disposal of real estate assets	393	675
Leasing costs	(7,479)	(8,934)
Other assets	(225)	(221)
	(81,693)	(47,066)
<b>Net change in cash and cash equivalents</b>	—	(8,174)
Cash and cash equivalents, beginning of year	—	8,174
<b>Cash and cash equivalents, end of year</b>	—	—