



## **PRESS RELEASE**

### **COMINAR AGREES TO PURCHASE ALEXIS NIHON OFFICE AND INDUSTRIAL PROPERTIES FROM HOMBURG FOR \$592 MILLION**

- Cominar REIT has agreed to purchase 6.5 million square feet of office and industrial properties of Alexis Nihon REIT from Homburg
- Properties to be purchased represent 72% of Alexis Nihon REIT portfolio (in square footage)
- Acquisition price of \$592 million
- Purchase is conditional upon success of Homburg offer for Alexis Nihon REIT units
- Transaction expected to be accretive to distributable income and funds from operations
- Cominar REIT has agreed to waive right to match Homburg offer
- Alexis Nihon REIT unitholder vote on Cominar REIT offer cancelled

Québec City, February 20, 2007 – Cominar Real Estate Investment Trust (“Cominar”) (TSX: CUF.UN) announced today that it has entered into a binding asset purchase agreement with Homburg Invest Inc. (“Homburg”) pursuant to which Cominar has agreed to purchase 6.5 million square feet of office and industrial properties (the “Properties”) of Alexis Nihon Real Estate Investment Trust (“Alexis Nihon”) for a sum of \$592 million at a 6.8% average capitalization rate. The purchase is conditional upon the success of Homburg’s previously announced offer for Alexis Nihon units.

The Properties represent 72% of Alexis Nihon’s leasable space as at September 30, 2006 and comprise 35 industrial buildings representing 4.1 million square feet of leasable space and 19 office properties representing 2.4 million square feet of space. A presentation containing further details can be accessed on Cominar’s website: [www.cominar.com](http://www.cominar.com).

The transaction will allow Cominar to become one of the largest commercial property owners and managers in the Province of Québec. Once the transaction is completed, Cominar will continue to own a well diversified portfolio of properties made of up 34 office (41% of estimated net operating income), 128 industrial (39%) and 31 retail (20%). The geographic profile of Cominar’s portfolio will be further diversified. The resultant geographic mix will be 54% in Montréal, 40% in Québec City and 6% in the Ottawa-Gatineau region.

The purchase of the Properties has been approved by the Board of Trustees of Cominar and is expected to be immediately accretive to Cominar’s distributable income and funds from operations on a pro forma basis and for future periods. The purchase of the Properties will be effected through the provision of debt and equity financing. Cominar has received a commitment from National Bank of Canada for the debt financing required to effect the transaction. It is anticipated that the transaction will close within the 60 days following the completion of Homburg’s offer.

The combination agreement between Cominar and Alexis Nihon has been terminated. Cominar has agreed to waive its right to match the Homburg offer for Alexis Nihon units. In addition, Cominar has agreed to waive the break fee payable to Cominar in relation to the Homburg offer if it is completed, but not with respect to any other acquisition proposal.

The Board of Trustees of Cominar believes that the purchase of the Properties will provide substantial benefits to Cominar unitholders, including:

- **Leading Market Position:** The acquisition of the Properties will create one of the largest owners and managers of commercial real estate in the Province of Québec, with 193 properties and approximately 16.7 million square feet of leasable space.
- **Diversified and Enhanced Portfolio:** The purchase will further diversify Cominar's geographic base of properties and will further enhance its office and industrial holdings.
- **Immediately Accretive:** The transaction is expected to be immediately accretive to distributable income and funds from operations. Future benefits are also expected to be derived from property management and operating synergies as well as enhanced clustering of Cominar's properties.

“We are very excited about this transaction. It will bring considerable benefits to the unitholders of Cominar by significantly expanding our property portfolio in terms of size, scope and diversification with a focus on the Montréal and Québec markets. Following the completion of the proposed purchase, Cominar will have total assets of over \$1.4 billion. We expect that the financing used to effect the purchase will continue to allow us to pursue our acquisition and development projects and continue to grow” commented Michel Dallaire, Cominar's President and Chief Executive Officer.

Cominar has provided Homburg with a deposit of \$17.1 million. Homburg and Cominar will shortly initiate discussions to most efficiently transition administrative and property management functions within Alexis Nihon.

Cominar's financial advisor is National Bank Financial and its legal advisor is Davies Ward Phillips & Vineberg LLP.

#### Portfolio as at February 20, 2007

Cominar REIT (TSX: CUF.UN) is one of the largest commercial real estate property owners and managers in the Province of Québec. It owns a high quality portfolio of 139 properties in the Greater Montréal and Québec City areas, consisting of 15 office, 31 retail, and 93 industrial and mixed-use buildings, totaling over 10.2 million square feet. Cominar 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.

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

This press release may contain forward-looking statements with respect to Cominar Real Estate Investment Trust 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 Real Estate Investment Trust 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, including that the transaction contemplated herein is completed. 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 Real Estate Investment Trust. The cautionary statements qualify all forward-looking statements attributable to Cominar Real Estate Investment Trust 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 Real Estate Investment Trust has no obligation to update such statements.

Distributable income (“DI”) and funds from operations (“FFO”) are not measures recognized under Canadian generally accepted accounting principles (“GAAP”) and do not have standardized meanings prescribed by GAAP. DI and FFO computed by Cominar Real Estate Investment Trust 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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