

**Press Release**  
For Immediate Release

**Cominar pursues its growth  
in the third quarter**

- **Rental revenue: + 9.7%**
  - **Net operating income: + 10.0%**
  - **Net income: + 9.6%**
  - **Recurring distributable income: + 9.3%**
  - **Recurring funds from operations: + 10.5%**
  - **\$49.2 million in acquisitions realized year-to-date**
  - **Five development projects completed in 2006: a \$17.1 million investment**
  - **11 ongoing development projects: a \$47.7 million investment**
- 

**TSX - CUF.UN**

Quebec City, November 8, 2006 —Cominar Real Estate Investment Trust (“Cominar”) announces today its results for the third quarter ended September 30, 2006.

**Solid Results**

**Rental revenue** and **net operating income** rose to \$32.7 million and \$20.9 million, respectively, representing increases of 9.7% and 10.0% over the third quarter of 2005. **Net income** stood at \$9.1 million, a 9.6% increase. **Recurring distributable income** amounted to \$12.9 million, compared with \$11.8 million for the corresponding period of 2005, a 9.3% increase. On a per unit basis, it went from \$0.362 to \$0.374, up 3.3%. **Recurring funds from operations** amounted to \$14.8 million compared with \$13.4 million in the third quarter of 2005, a 10.5% increase. On a per unit basis, they stood at \$0.427, up 3.9%.

“Our strategy in today’s rising commercial real estate market is focused on developing our properties and on new construction projects, while making acquisitions matching our criteria of quality and profitability over the short and long term. This successful strategy is again reflected in our financial performance” indicated Michel Dallaire, President and Chief Executive Officer.

**During the nine-month period ended September 30, 2006, rental revenue** grew by 8.6% to reach \$98.7 million, compared with \$90.9 million for the first nine months of 2005. **Net operating income** rose 9.6% to \$59.5 million. **Net income** stood at \$23.6 million, a 5.4% increase. **Recurring distributable income** jumped 8.3% to \$35.2 million or \$1.045 per unit. **Recurring funds from operations** were up 9.7% to \$40.9 million (\$1.213 per unit) compared with \$37.3 million (\$1.146 per unit) for the first nine months of 2005.

**High Occupancy Rate**

As at September 30, 2006, Cominar showed an **occupancy rate** of 94.6%, compared to 95.3% as at September 30, 2005.

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

### **Continued Solid Financial Health**

As at the end of the third quarter, Cominar continued to show sound financial health with a **debt-to-gross book value ratio of 45%**. Using the 60% authorized by its Contract of Trust, Cominar has an acquisition capacity of \$308 million as at September 30, 2006.

### **Seven Acquisitions: a \$15.3 million Investment**

In the third quarter, Cominar acquired six income properties representing 186,210 square feet of leasable space at a weighted average capitalization rate of 9.1% and approximately 500,000 square feet of land for \$1.2 million.

### **Subsequent Events: Acquisitions – a \$19.2 million Investment**

Subsequent to the end of the quarter, Cominar acquired a 133,000 square foot office property in Montreal for \$19 million. Cominar also acquired a lot for future development for \$0.2 million. Since the beginning of the year, Cominar has acquired land and income properties totalling \$49.2 million.

### **Five Development Projects Completed: a \$17.1 million Investment**

Since the beginning of the year, Cominar has completed the development of five properties representing 318,706 square feet of leasable space and a \$17.1 million investment.

### **11 Properties under Development – a \$47.7 million Investment**

Cominar currently has 11 properties under development representing more than 683,000 square feet of leasable space. These projects, amounting to \$47.7 million, are advancing according to plan both in terms of construction and leasing.

### **Outlook**

Cominar continues to apply its strategy of growth through profitable high-quality acquisitions and the development of those of its properties offering a potential increase in return, while maintaining prudent financial management. Considering its quality properties, market intelligence, solid balance sheet and available funds, Cominar is confident it will remain on the growth track in the next quarters.

### **Additional Financial Information**

Cominar's consolidated financial statements and the management's discussion and analysis for the quarter ended September 30, 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, November 8, 2006, at 11:30 a.m. EST, Cominar's management will hold a conference call to discuss the 2006 third quarter results. Investors who are interested may take part in this call by dialing 1-800-814-4862. A presentation of the third 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 November 8, 2006**

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 **139 properties in the Greater Montreal and Quebec City areas, consisting of 15 office, 31 retail, and 93 industrial and mixed-use buildings, totalling over 10.2 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 Real Estate Investment Trust — Press Release (continued)

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).

### **Financial Measures and Forward-Looking Statements**

*Net operating income, distributable income, and funds from operations are not financial measures defined by generally accepted accounting principles (“GAAP”) and may not be comparable to the financial measures used by other trusts. Recurring distributable income and recurring funds from operations exclude \$554,000 in non recurring expenses incurred in the first quarter of 2006 in connection with an important transaction which was not concluded. Readers are directed to the management’s discussion and analysis for a description of the measures and a reconciliation of the measures to the closest GAAP measure. The consolidated financial statements for the quarter ended September 30, 2006, as well as the management’s discussion and analysis, can be found on Cominar’s website at [www.cominar.com](http://www.cominar.com).*

*This press release may contain forward-looking statements that are based on Cominar’s expectations regarding its business or economic and real estate environments. These statements are not guarantees of future performance, and involve risks and uncertainties that are described in Cominar’s most recent Annual Report, Annual Information Form, and other publicly available documents, which are available at [www.sedar.com](http://www.sedar.com). Actual outcomes and results may differ materially from those expressed in these forward-looking statements.*

- 30 -

For information:

**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 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 September 30, 2006 [unaudited] \$	As at December 31, 2005 [audited] \$
<b>ASSETS</b>		
Income properties	688,040	658,855
Properties under development	17,685	20,777
Land held for future development	6,590	1,243
Deferred expenses and other assets	31,731	30,009
Prepaid expenses	7,496	2,355
Accounts receivable	14,003	12,343
	<b>765,545</b>	<b>725,582</b>
<b>LIABILITIES AND UNITHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Mortgages payable	273,966	253,581
Convertible debentures	48,181	97,535
Bank indebtedness	47,499	25,811
Accounts payable and accrued liabilities	20,615	21,890
Distributions payable to unitholders	3,581	3,623
	<b>393,842</b>	<b>402,440</b>
<b>Unitholders' equity</b>		
Unitholders' contributions	394,197	338,230
Cumulative net income	208,091	184,463
Cumulative distributions	(230,971)	(199,902)
Contributed surplus	386	351
	<b>371,703</b>	<b>323,142</b>
	<b>765,545</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 September 30, [unaudited, in thousands of dollars]	Quarter		Cumulative (nine months)	
	2006 \$	2005 \$	2006 \$	2005 \$
<b>Unitholders' contributions</b>				
Balance, beginning of period	362,384	332,843	338,230	328,433
Issue of units	31,813	1,886	55,967	6,296
Balance, end of period	394,197	334,729	394,197	334,729
<b>Cumulative net income</b>				
Balance, beginning of period	198,991	167,223	184,463	153,136
Net income	9,100	8,322	23,628	22,409
Balance, end of period	208,091	175,545	208,091	175,545
<b>Cumulative distributions</b>				
Balance, beginning of period	(220,227)	(179,891)	(199,902)	(160,353)
Distributions to unitholders	(10,744)	(9,815)	(31,069)	(29,353)
Balance, end of period	(230,971)	(189,706)	(230,971)	(189,706)
<b>Contributed surplus</b>				
Balance, beginning of period	342	287	351	252
Unit option plan	44	48	35	83
Balance, end of period	386	335	386	335
<b>Unitholders' equity</b>	<b>371,703</b>	<b>320,903</b>	<b>371,703</b>	<b>320,903</b>

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

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

Period ended September 30, [unaudited, in thousands of dollars except per unit amounts]	Quarter		Cumulative (nine months)	
	2006	2005	2006	2005
	\$	\$	\$	\$
<b>Operating revenues</b>				
Rental revenue from income properties	32,742	29,812	98,664	90,889
<b>Operating expenses</b>				
Operating costs	5,816	5,544	19,104	18,313
Realty taxes and services	5,789	4,935	19,298	17,367
Property management expenses	223	299	803	960
	11,828	10,778	39,205	36,640
<b>Operating income before the undernoted :</b>	20,914	19,034	59,459	54,249
Interest on borrowings	5,444	5,042	16,626	15,312
Depreciation of income properties	4,141	3,748	12,088	11,043
Amortization of deferred leasing costs	1,537	1,355	4,601	4,038
Amortization of deferred financing costs and other assets	183	174	535	519
	11,305	10,319	33,850	30,912
<b>Operating income from real estate assets</b>	9,609	8,715	25,609	23,337
<b>Trust administrative expenses</b>	557	466	1,628	1,366
<b>Other revenues</b>	48	73	201	181
<b>Unusual item</b>	—	—	554	—
<b>Net income from continuing operations</b>	9,100	8,322	23,628	22,152
<b>Net income from discontinued operations</b>	—	—	—	257
<b>Net income</b>	9,100	8,322	23,628	22,409
<b>Basic net income per unit</b>	0.263	0.255	0.701	0.689
<b>Diluted net income per unit</b>	0.259	0.251	0.691	0.678

Cominar Real Estate Investment Trust — Press Release (continued)

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

Period ended September 30, [unaudited, in thousands of dollars]	Quarter		Cumulative (nine months)	
	2006 \$	2005 \$	2006 \$	2005 \$
<b>OPERATING ACTIVITIES</b>				
Net income	9,100	8,322	23,628	22,409
Adjustments for:				
Depreciation of income properties	4,141	3,748	12,088	11,070
Amortization of above-market leases	30	30	90	90
Amortization of deferred leasing costs	1,537	1,355	4,601	4,038
Amortization of deferred financing costs and other assets	183	174	535	520
Compensation costs related to unit options	83	55	145	146
Gain on sale of an income property	—	—	—	(248)
Change in non-cash operating working capital items	2,682	4,875	(7,978)	(2,583)
	<b>17,756</b>	<b>18,559</b>	<b>33,109</b>	<b>35,442</b>
<b>FINANCING ACTIVITIES</b>				
Mortgages payable	—	—	59,652	—
Repayments of mortgages payable	(21,931)	(2,459)	(39,267)	(7,211)
Bank indebtedness	39,566	3,070	21,688	19,949
Distributions to unitholders	(10,250)	(9,563)	(30,095)	(28,779)
Net proceeds from issue of units	716	304	5,487	3,834
	<b>8,101</b>	<b>(8,648)</b>	<b>17,465</b>	<b>(12,207)</b>
<b>INVESTING ACTIVITIES</b>				
Acquisitions of income properties	(12,472)	(7,758)	(31,080)	(14,522)
Net proceeds from disposition of an income property	—	—	—	675
Acquisitions of properties under development and land held for future development	(10,825)	(578)	(13,816)	(13,099)
Leasing costs	(2,526)	(1,543)	(5,252)	(4,320)
Other assets	(34)	(32)	(426)	(143)
	<b>(25,857)</b>	<b>(9,911)</b>	<b>(50,574)</b>	<b>(31,409)</b>
<b>Net change in cash and cash equivalents</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(8,174)</b>
Cash and cash equivalents, beginning of period	—	—	—	8,174
Cash and cash equivalents, end of period	—	—	—	—