

Press Release

For Immediate Publication

Cominar announces fiscal 2005 results and increased cash distributions to unitholders

- **19.1% annual return per unit, including distributions and increase in unit price**
 - **Increases of 10.1% in operating revenues, 8.8% in net operating income and 5.9% in adjusted distributable income**
 - **Completed development projects representing \$24.4 million and ongoing and upcoming projects representing \$46.7 million**
 - **Monthly cash distributions increased from 10 cents to 10.2 cents per unit**
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Quebec City, March 2, 2006 —Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) announced today its financial results for the fourth quarter and for the fiscal year ended December 31, 2005.

For the eighth time in a row since it was founded, Cominar’s growth and expansion continued through major developments and new construction, much of it completed during the year.

For the fiscal year ended December 31, 2005, Cominar’s **operating revenues** amounted to \$122.1 million, a 10.1% increase, or \$11.2 million over the 2004 figure of \$110.9 million. This growth reflects the acquisitions and developments that were completed in 2004 and 2005. At \$74.1 million, **net operating income** rose by 8.8% or \$6.0 million.

For comparison purposes, the calculation of distributable income and funds from operations was adjusted to exclude \$740,000 in non-recurring revenues in 2004 from the settlement of a legal dispute.

Taking this adjustment into consideration, **adjusted distributable income** for fiscal 2005 was \$44.7 million compared to \$42.3 million in 2004, an increase of 5.9%. Per unit, this figure was \$1.373 compared to \$1.326 for 2004.

Adjusted funds from operations increased in 2005 by 6.2% to \$51.4 million. Per unit, this figure stood at \$1.576 compared to \$1.517 in 2004, a 3.9% increase.

The calculation of net income was also adjusted to exclude the \$740,000 in income mentioned above and a gain of \$248,000 from the sale of a building in Anjou in 2005. For 2005, **adjusted net income** stood at \$31.1 million, compared to \$30.8 million in 2004.

In 2005, Cominar paid **total distributions** of \$39.5 million to unitholders, up 4.8% over total distributions in 2004, which amounted to \$37.7 million. **Distributions per unit** stood at \$1.210 compared to \$1.178 for the previous fiscal year.

Cominar Real Estate Investment Trust — Press Release (continued)

“Over the past five years, including distributions and the increase in unit price, Cominar’s average annual return per unit was 22.8%, which is a solid performance. In 2005, we continued to increase the value of the real estate portfolio by placing priority on the development of our properties and completing construction of several buildings on prime land in our possession. We also made three acquisitions of income-producing properties that meet our quality and long-term added-value criteria. Thus, we added 401,595 square feet in leasable area to the portfolio. At the end of the fiscal year, the debt to gross book value ratio was 49% of the portfolio’s book value” said President and Chief Executive Officer Michel Dallaire.

Outlook

“We have every reason to be confident about Cominar’s future, based on the strengths we have developed over the past years, particularly the quality and segmented diversification of our income-producing real estate portfolio, our team’s talents and experience, our sound financial health and our ability to bring about new developments and profitable acquisitions that bring in added value. Fiscal 2006 is off to a good start with a \$7 million acquisition and the announcement of two development projects representing an \$18 million investment. We are now pursuing several development projects worth a total of \$46.7 million the majority of which should be completed by the end of 2006. We intend to continue maximizing our strengths thanks to economic conditions that should continue to be relatively good and stable in the regions where the Trust is active,” Michel Dallaire added.

Increased monthly cash distributions

As a result of Cominar’s strong performance in 2005 and outlook for 2006, the Board of Trustees elected to increase monthly cash distributions to unitholders from 10 cents to 10.2 cents per unit, representing a 2% increase. The increase will be effective with the March 2006 distribution payable in April 2006.

Additional financial information

Cominar’s consolidated financial statements and the management’s discussion and analysis for the fiscal year ended December 31, 2005 will be on file with SEDAR at www.sedar.com and are available on Cominar’s website at www.cominar.com.

Conference call and webcast

On Thursday, March 2, 2006, at 11:30 a.m. EST, Cominar’s management will hold a conference call to discuss the fiscal 2005 results. Anyone who is interested may take part in this call by dialing 1-800-814-4890. A presentation of the 2005 results will be available at www.cominar.com under the title “Conference Call.” The event will also be webcast on www.q1234.com.

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PROFILE as at March 2, 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 **129 properties in the Greater Montreal and Quebec City areas, consisting of 14 office, 28 retail and 87 industrial and mixed-use buildings, totaling over 9.7 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.

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 and may not be comparable to the financial measures used by other trusts. Readers are directed to the management's discussion and analysis for a description of the measures and a reconciliation of the measures to net income. The consolidated financial statements for the fiscal year ended December 31, 2005, as well as the management's discussion and analysis, can be found on Cominar's website at 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. Actual outcomes and results may differ materially from those expressed in these forward-looking statements.

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

COMINAR REAL ESTATE INVESTMENT TRUST
Consolidated Balance Sheets

(in thousands of dollars)	As at December 31, 2005	As at December 31, 2004
	\$	\$
ASSETS		
Income properties	658,855	640,889
Properties under development	22,020	20,967
Deferred expenses and other assets	30,009	26,736
Prepaid expenses	2,355	2,010
Accounts receivable	12,343	6,878
Cash and cash equivalents	—	8,174
	725,582	705,654
LIABILITIES AND UNITHOLDERS’ EQUITY		
Liabilities		
Mortgages payable	253,581	262,247
Convertible debentures	97,535	100,000
Bank indebtedness	25,811	—
Accounts payable and accrued liabilities	21,890	18,388
Distributions payable to unitholders	3,623	3,551
	402,440	384,186
Unitholders’ equity		
Unitholders’ contributions	338,230	328,433
Cumulative net income	184,463	153,136
Cumulative distributions	(199,902)	(160,353)
Contributed surplus	351	252
	323,142	321,468
	725,582	705,654

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COMINAR REAL ESTATE INVESTMENT TRUST
Consolidated Statements of Unitholders' Equity

Years ended December 31, (in thousands of dollars)	2005 \$	2004 \$
Unitholders' contributions		
Balance, beginning of year	328,433	320,604
Issue of units	9,797	7,903
Underwriters' fees and offering expenses	—	(74)
Balance, end of year	338,230	328,433
Cumulative net income		
Balance, beginning of year	153,136	121,601
Net income	31,327	31,535
Balance, end of year	184,463	153,136
Cumulative distributions		
Balance, beginning of year	(160,353)	(122,647)
Distributions to unitholders	(39,549)	(37,706)
Balance, end of year	(199,902)	(160,353)
Contributed surplus		
Balance, beginning of year	252	39
Unit option plan	99	213
Balance, end of year	351	252
Unitholders' equity	323,142	321,468

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COMINAR REAL ESTATE INVESTMENT TRUST
Consolidated Statements of Income

Years ended December 31, (in thousands of dollars, except per unit amounts)	2005 \$	2004 \$
Operating revenues		
Rental revenue from income properties	122,104	110,901
Operating expenses		
Operating costs	24,614	22,184
Realty taxes and services	22,163	19,522
Property management expenses	1,245	1,089
	48,022	42,795
Operating income before the under noted	74,082	68,106
Interest on borrowings	21,079	18,058
Depreciation of income properties	14,766	12,458
Amortization of deferred expenses and other assets	5,648	5,257
	41,493	35,773
Operating income from real estate assets	32,589	32,333
Trust administrative expenses	1,757	1,886
Other revenues	238	1,054
Net income from continuing operations	31,070	31,501
Net income from discontinued operations	257	34
Net income	31,327	31,535
Basic net income per unit	0.961	0.990
Diluted net income per unit	0.946	0.981

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COMINAR REAL ESTATE INVESTMENT TRUST
Consolidated Statements of Cash Flows

Years ended December 31, (in thousands of dollars)	2005 \$	2004 \$
OPERATING ACTIVITIES		
Net income	31,327	31,535
Items not affecting cash		
Depreciation of income properties	14,793	12,472
Amortization of above-market leases	120	56
Amortization of deferred leasing costs	5,491	5,090
Amortization of deferred financing costs and other assets	703	477
Compensation costs related to unit option plan	200	289
Leasing costs	(8,934)	(6,512)
Gain on sale of an income property	(248)	—
Change in non-cash operating working capital items	2,634	(3,261)
	46,086	40,146
FINANCING ACTIVITIES		
Repayments of mortgages payable	(9,693)	(26,530)
Net proceeds from issue of convertible debentures	—	96,250
Bank indebtedness	25,811	—
Distributions to unitholders	(38,347)	(32,092)
Net proceeds from issue of units	6,101	5,690
	(16,128)	43,318
INVESTING ACTIVITIES		
Acquisitions of income properties	(24,281)	(95,821)
Acquisitions of properties under development	(14,305)	(12,551)
Net proceeds on disposition of an income property	675	—
Other assets	(221)	(578)
	(38,132)	(108,950)
Net change in cash and cash equivalents	(8,174)	(25,486)
Cash and cash equivalents, beginning of year	8,174	33,660
Cash and cash equivalents, end of year	—	8,174