COMINAR

PRESS RELEASE

For Immediate Release

COMINAR ANNOUNCES FISCAL 2017 RESULTS, INTRODUCES TRANSFORMATIONAL "COMINAR 2.0" STRATEGY

Québec City, Québec, March 8, 2018 – Cominar Real Estate Investment Trust ("Cominar" or the "REIT") (TSX: CUF.UN) today announced its results for the fourth quarter and fiscal 2017, and introduced its transformational "Cominar 2.0" strategy.

COMINAR 2.0 – HIGHLIGHTS

- Stabilization of balance sheet through agreement to sell $1.14 billion of non-core properties and reduction of the annual distribution from $1.14 to $0.72 to restore financial flexibility
- Refocussing of strategy on core Québec markets where Cominar enjoys competitive advantages, with 93.2% core markets occupancy rate as at December 31, 2017
- Addition of respected individuals with significant real estate experience to the Board of Trustees: Paul Campbell, René Tremblay and Heather Kirk to reflect the continuously evolving real estate landscape
- Reduction of construction services relationship with Groupe Dallaire and integration of elements of Montreal platform at no additional cost to the REIT

"Balance sheet stabilization, refocussing on our core Québec markets and governance are key drivers in this transformational phase of Cominar 2.0", stated Sylvain Cossette, President and Chief Executive Officer of Cominar.

"Our path to recovery has also required that we take difficult but necessary steps with respect to our distributions. At the same time, we are also re-evaluating our capital plans. These measures aim to restore our financial flexibility and protect our ability to make distributions on a sustainable level, which remains at the heart of our purpose" added Mr. Cossette.

STABILIZATION OF BALANCE SHEET AND REFOCUSSING ON QUÉBEC MARKETS

On December 18, 2017, Cominar announced it had entered into a definitive agreement with Slate Acquisitions Inc. ("Slate") for the sale of its entire non-core market property portfolio for total gross proceeds of $1.14 billion. The assets to be sold include 96 properties totalling 6.2 million square feet located in the Atlantic Provinces, Western Canada and the Greater Toronto Area. This transaction is expected to close by the end of March 2018 with proceeds to be used to repay debt, including approximately $50 million of debt incurred to fund unit buybacks under the REIT's normal course issuer bid ("NCIB"). A no-action letter from the

Commissioner of Competition to the effect that he does not intend to challenge the transaction under the *Competition Act (Canada)* has been issued.

Cominar is also currently reviewing its portfolio for further opportunities to sell assets, further reduce leverage and enhance its financial flexibility. The REIT's strategy is to focus on a smaller number of assets that are best suited to increase net operating income ("NOI") and surface value.

At year-end, the REIT recorded write-downs totalling $643 million, including $616 million of reductions to fair value of investment properties (of which $288 million related to the sale of non-core properties to Slate) and a $27 million de-recognition of goodwill.

In order to ensure that the REIT has the required financial flexibility, the REIT has adjusted its monthly distribution from $0.095 ($1.14 per annum) to $0.06 ($0.72 per annum).

BEST OF CLASS GOVERNANCE

Cominar is pleased to welcome three new board members with deep real estate and capital markets experience, enhancing the REIT's best in class board as it navigates a dynamic real estate landscape.

Ghislaine Laberge, who has served as Trustee since Cominar's initial public offering in May of 1998 has stepped down from Cominar's Board of Trustee effective today. In addition, Paul Campbell and René Tremblay have been appointed as trustees of the REIT, effective today.

Paul Campbell has over 40 years of leading real estate experience in Canada and abroad in the office and retail segments. Mr. Campbell has held numerous board, senior leadership and advisory positions with several large real estate organizations, including Kingsett, 20 Vic, SITQ, Bentall, Revenue Properties, Maron Properties, Oxford, Campeau Corporation, Trilea and Bramalea. Mr. Campbell was awarded the NAIOP Lifetime Achievement Award for his contributions to the real estate industry.

René Tremblay has over 35 years of global real estate experience, primarily in retail and strong named executive officer (NEO) experience. Former Chairman and President of Taubman Asia, the Asian arm of U.S. NYSE listed Taubman Centres, a leader in the shopping centre industry, Mr. Tremblay has been responsible for driving Taubman's shopping center expansion in the Asia-Pacific region. Prior to Taubman, Mr. Tremblay was CEO of Ivanhoe Cambridge and has great familiarity with many of Cominar's core retail centres.

Furthermore, Mary-Ann Bell has advised that she will not be submitting her nomination at the upcoming annual general meeting to be held in May of 2018. A new nominee, Heather Kirk will be seeking election as a trustee of the REIT at the upcoming annual general meeting.

Heather Kirk, CFA, has over 20 years of capital markets experience in the Canadian REIT sector, most recently as Managing Director at BMO from 2013 to 2018, where as an equity analyst she covered several Canadian REITS including Cominar. Prior to joining BMO, Mrs.

Kirk was at National Bank as an equity analyst from 2009 to 2013, and as an investment banker from 2002 to 2009, with coverage over Cominar.

"Cominar welcomes the immediate appointment of Paul Campbell and René Tremblay as new trustees. Their deep real estate expertise and industry insights will definitely contribute positively to the success of Cominar" said Alban D'Amours, Chairman of Cominar. "Cominar wishes to thank Michel Dallaire and Ghislaine Laberge for their valuable contributions and commitments to the REIT over the past 20 years" added Mr. D'Amours.

In 2017, the REIT also undertook a significant modernization of its governance practices, including executive compensation. The Board has further enhanced Cominar's governance by resolving to update its contract of trust with current best-in-class practices, including introducing rights and remedies in favour of unitholders consistent with those available to shareholders of a corporation pursuant to the *Canada Business Corporations Act*. These changes are to be presented to unitholders for adoption at the REIT's upcoming annual general meeting of unitholders.

GROUPE DALLAIRE - CONSTRUCTION SERVICES

Cominar has also started an important transition towards the internalization of certain construction activities and the diversification of its use of outside construction suppliers. As part of this transition, the use of Groupe Dallaire for construction services will be reduced in an orderly manner, over an approximate 12-month transition period. As part of this transition, Cominar expects to integrate certain dedicated elements of Groupe Dallaire's workforce in Montreal at no additional cost to the REIT, with a view of ensuring continuity and best addressing the REIT's needs and those of its clients in the most cost-effective manner.

PRESENTATION OF RESULTS

For the year ended December 31, 2017, **net operating income (NOI)**(1) was $436.0 million compared to $468.6 million for fiscal 2016.

This decrease in net operating income is primarily due to the disposition of income properties completed in 2016 and 2017 for a total amount of $221.4 million and to non-recurring proceeds of $10.7 million obtained in 2016.

Net loss for fiscal 2017 amounted to $391.7 million compared to a net income of $241.7 million for fiscal 2016.

The decrease in net income is due mainly to the write-downs previously explained.

Cash flows provided by operating activities for fiscal 2017 reached $233.2 million, compared to $284.1 million for fiscal 2016.

Recurring funds from operations (FFO)(1) for fiscal 2017 was $255.1 million, compared to $278.6 million for fiscal 2016. Fully diluted recurring funds from operations per unit(1) amounted to $1.38 for fiscal 2017.

(1) Non-IFRS financial measure. See the reconciliation to closest IFRS measure.

Recurring adjusted funds from operations (AFFO)[(1)] for fiscal 2017 was $215.8 million compared to $241.9 million for fiscal 2016. Fully diluted per unit, it amounted to $1.17 for fiscal 2017.

Recurring adjusted cash flows from operations (ACFO)[(1)] for fiscal 2017 was $216.7 million compared to $246.0 million for fiscal 2016. Fully diluted per unit, it amounted to $1.18 for fiscal 2017.

For fiscal 2017, recurring funds from operations as well as recurring adjusted funds from operations decreased compared to fiscal 2016, due to the dispositions of income properties completed in 2016 and 2017 for a total amount of $221.4 million.

FINANCIAL SITUATION

As at December 31, 2017, Cominar’s debt ratio stood at 57.4%, compared to 52.4% as at December 31, 2016. At the end of fiscal 2017, total assets reached $7.8 billion and unencumbered income properties amounted to $3.3 billion. The REIT’s debt ratio was significantly negatively impacted by 4.4% due to the fair value adjustment of investment properties as previously explained.

LEASING ACTIVITY

During fiscal 2017, our leasing efforts allowed us to renew 70.7% of the total leasable area expired during fiscal 2017, totalling 5.7 million square feet, and to sign new leases for 2.9 million square feet, overall representing 106.5% of the total leasable area maturing in 2017.

Occupancy rate was 92.6% as at December 31, 2017 [93.2% for the core markets portfolio], compared to 92.4% as at December 31, 2016.

(1) Non-IFRS financial measure. See the reconciliation to closest IFRS measure.

RESULTS OF OPERATIONS

For the periods ended December 31	Quarter		Year	
	2017 ($000)	2016 ($000)	2017 ($000)	2016 ($000)
Operating revenues	**207,418**	210,350	**835,489**	866,982
Operating expenses	**(96,931)**	(96,049)	**(399,452)**	(398,373)
Net operating income[1]	**110,487**	114,301	**436,037**	468,609
Finance charges	**(42,839)**	(42,482)	**(168,752)**	(170,645)
Trust administrative expenses	**(11,408)**	(4,490)	**(25,977)**	(16,719)
Change in fair value of investment properties	**(616,354)**	(46,675)	**(616,354)**	(46,675)
Share of joint ventures' net income	**108**	5,795	**5,276**	8,006
Derecognition of goodwill	**(26,989)**	—	**(26,989)**	—
Income taxes	**5,739**	(108)	**5,034**	(838)
Net income (net loss)	**(581,256)**	26,341	**(391,725)**	241,738

SAME PROPERTY NET OPERATING INCOME[1]

For the periods ended December 31	Quarter		Year	
	2017 ($000)	2016 ($000)	2017 ($000)	2016 ($000)
Operating segment				
Office	**45,778**	46,014	**182,213**	188,498
Retail	**41,226**	42,536	**161,107**	166,080
Industrial and mixed-use	**23,885**	23,576	**93,451**	91,326
Same property net operating income – Cominar's proportionate share[1]	**110,889**	112,126	**436,771**	445,904
Distribution:				
Core markets	**93,119**	93,368	**365,115**	368,549
Other markets	**17,770**	18,758	**71,656**	77,355
Total	**110,889**	112,126	**436,771**	445,904

(1) Non-IFRS financial measure. See the reconciliation to closest IFRS measure.

NON-IFRS FINANCIAL MEASURES

Net operating income, funds from operations (FFO), adjusted funds from operations (AFFO) and adjusted cash flows from operations (ACFO) are not measures recognized by International Financial Reporting Standards ("IFRS") and do not have standardized meanings prescribed by IFRS. Such measures may differ from similar computations as reported by similar entities and, accordingly, may not be comparable to similar measures reported by such other entities.

FUNDS FROM OPERATIONS (FFO) AND ADJUSTED FUNDS FROM OPERATIONS (AFFO)

The following table presents a reconciliation of net income (net loss), as determined in accordance with IFRS, and recurring funds from operations and recurring adjusted funds from operations:

	Quarter		Year	
For the periods ended December 31	2017 ($000)	2016 ($000)	2017 ($000)	2016 ($000)
Net income (net loss)	**(581,256)**	26,341	**(391,725)**	241,738
Deferred income taxes	**(5,739)**	108	**(5,034)**	838
Initial and re-leasing salary costs	**882**	797	**3,532**	3,095
Change in fair value of investment properties – Cominar's proportionate share[2]	**617,418**	41,655	**615,134**	41,655
Capitalizable interest on properties under development – joint ventures	**198**	522	**793**	1,968
Derecognition of goodwill	**26,989**	—	**26,989**	—
Funds from operations [1][2]	**58,492**	69,423	**249,689**	289,294
Non-recurring items[3][4]	**5,400**	—	**5,400**	(10,724)
Recurring funds from operations[1][2]	**63,892**	69,423	**255,089**	278,570
Provision for leasing costs	**(6,583)**	(6,390)	**(25,820)**	(24,090)
Recognition of leases on a straight-line basis[1]	**(1,554)**	(806)	**(4,027)**	(4,044)
Capital expenditures – maintenance of rental income generating capacity	**(4,127)**	(3,014)	**(9,415)**	(8,498)
Recurring adjusted funds from operations[1][2]	**51,628**	59,213	**215,827**	241,938

(1) Including Cominar's proportionate share in joint ventures.
(2) Non-IFRS financial measure.
(3) In 2017, a retirement allowance was allocated following the resignation of the Chief Executive Officer.
(4) In 2016, net proceeds of $10.7 million were obtained in settlement of the claim against Target Canada.

ADJUSTED CASH FLOWS FROM OPERATIONS (ACFO)

The following table presents a reconciliation between the cash flows provided by operating activities as per the consolidated financial statements and the recurring adjusted cash flows from operations:

	Quarter		Year	
For the periods ended December 31	2017 ($000)	2016 ($000)	2017 ($000)	2016 ($000)
Cash flows provided by operating activities as per the consolidated financial statements	**81,471**	102,031	**233,225**	284,090
Adjustments – investments in joint ventures(1)	**1,138**	(22)	**3,720**	2,061
Provision for leasing costs	**(6,583)**	(6,390)	**(25,820)**	(24,090)
Initial and re-leasing salary costs	**882**	797	**3,532**	3,095
Changes in adjusted non-cash working capital items	**(27,011)**	(34,108)	**2,447**	(5,445)
Capital expenditures – maintenance of rental income generating capacity	**(4,127)**	(3,014)	**(9,415)**	(8,498)
Amortization of deferred financing costs and others	**(636)**	(681)	**(2,763)**	(2,970)
Amortization of fair value adjustments on assumed mortgages payable	**1,385**	1,468	**5,577**	6,501
Capitalizable interest on properties under development – joint ventures	**198**	522	**793**	1,968
Adjusted cash flows from operations(1) (4)	**46,717**	60,603	**211,296**	256,712
Non-recurring items(5)(6)	**5,400**	—	**5,400**	(10,724)
Recurring adjusted cash flows from operations(1) (4)	**52,117**	60,603	**216,696**	245,988
Payout ratio(2)	**101.8%**	111.4%	**112.9%**	102.8%
Cash payout ratio(2)(3)	**101.8%**	88.1%	**94.7%**	95.3%

(1) Including Cominar's proportionate share in joint ventures.
(2) Fully diluted.
(3) The cash payout ratio corresponds to the cash distribution per unit divided by the fully diluted recurring adjusted cash flows from operations per unit.
(4) Non-IFRS financial measure.
(5) In 2017, a retirement allowance was allocated following the resignation of the Chief Executive Officer.
(6) In 2016, net proceeds of $10.7 million were obtained in settlement of the claim against Target Canada.

SUBSEQUENT EVENTS

Since the beginning of fiscal year 2018, Cominar has purchased under the NCIB a total of 2,709,500 units at an average price of $14.58, for a total consideration of $39.5 million paid cash. Since December 19, 2017, Cominar has repurchased under the NCIB a total of 3,440,400 units at an average price of $14.50, for a total consideration of $49.9 million paid cash.

Subsequent to the end of fiscal 2017, Cominar contracted the following loans: a $75.0 million bridge loan bearing interest at prime rate plus 110 basis points or at the bankers' acceptance rate plus 210 basis points and repayable on the closing of the $1.1 billion sale of investment properties, a 10-year $42.5 million mortgage bearing interest at 4.484% per year and a 5-year $45.0 million mortgage bearing interest at prime rate plus 90 basis points or 4.00% per year, whichever is greater. The net proceeds from these loans were used to repay a portion of the unsecured revolving operating and acquisition credit facility.

On February 12, 2018, Alban D'Amours was appointed as Cominar's Chairman of the Board of Trustees following the departure of Michel Dallaire.

On March 7, 2018, Cominar adjusted its monthly distribution from $0.095 per unit to $0.06 per unit, beginning with the distribution of March of 2018, payable in April of 2018.

At year-end, $592.6 million in mortgages payable are maturing in 2018. Of this amount, $8.7 million have already been repaid. The loan in connection with Gare Centrale de Montréal, with a balance of $210.6 million at its maturity date, has been refinanced for an additional amount of approximately $50 million. In addition, on the closing of the Slate transaction expected to occur by the end of March 2018, mortgage financings in the amount of $276.4 million are to be assumed by the purchaser or repaid by Cominar.

ADDITIONAL FINANCIAL INFORMATION

Cominar's consolidated financial statements and management's discussion and analysis for fiscal 2017, will be filed with SEDAR at www.sedar.com and will be available on Cominar's website at www.cominar.com.

CONFERENCE CALL ON MARCH 8, 2018

On **Thursday, March 8, 2018 at 11 a.m.** (ET), Cominar's management will hold a conference call to present the results for fiscal 2017. Interested persons may take part in this call by dialing **1 888 390-0546**. A presentation regarding these results will be available before the conference call on the REIT's website at www.cominar.com, under the Conference Call header. In addition, a taped rebroadcast of the conference call will be available from Thursday, March 8, 2018 at 2 p.m. to Thursday, March 15, 2018 at 11:59 p.m., by dialing **1 888 390-0541** followed by this code: **377271#.**

PROFILE AS AT MARCH 8, 2018

Cominar is the third largest diversified real estate investment trust in Canada and currently remains the largest commercial property owner in the Province of Québec. The REIT owns a real estate portfolio of 525 properties in three different market segments, that is, office properties, retail properties and industrial and mixed-use properties. Cominar's portfolio totals 44.4 million square feet spread out across Québec, Ontario, the Atlantic Provinces and Western Canada. Cominar's objectives are to pay sustainable cash distributions to unitholders and to maximize unitholder value through proactive management.

FORWARD-LOOKING STATEMENTS

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 the use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intend", "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 Cominar's Annual Information Form. 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. Cominar does not assume any obligation to update the aforementioned forward-looking statements, except as required by applicable laws.

For further information:

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