

## Press Release

For Immediate Distribution

### Cominar Real Estate Investment Trust announces third quarter 2005 results

- **Increases of 10.0% in rental revenues, 10.2% in net operating income and 7.5% in distributable income**
  - **Eleven projects under development comprising 14 buildings, a \$50.4 million investment**
- 

**TSX - CUF.UN**

**TSX - CUF.DB**

Quebec City, November 9, 2005—Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) announced today its financial results for the three months ended September 30, 2005.

**Rental revenues** grew by 10.0% to total \$29.8 million, compared with \$27.1 million for the same period in 2004. **Net operating income** rose 10.2% to \$19.0 million from \$17.3 million in the third quarter of 2004.

**Distributable income** stood at \$11.8 million, compared with \$11.0 million for the corresponding period in 2004, a 7.5% increase. **Distributable income per unit** amounted to \$0.362, compared with \$0.345 in the corresponding quarter of 2004.

**Net income** for the third quarter ended September 30, 2005 reached \$8.3 million compared with \$8.0 million for the same period in 2004.

**Distributions to unitholders** rose 4.5% to \$9.8 million, up from \$9.4 million in the third quarter of 2004.

**Funds from operations** amounted to \$13.4 million compared with \$12.4 million for the corresponding quarter in 2004, an 8.5% increase.

Michel Dallaire, President and Chief Executive Officer of the REIT, said: “We are pleased with the period’s results and developments, which met our objectives. In today’s real estate context of rising property prices, we are focusing on development work rather than acquisitions, while remaining on the lookout for opportunities that truly match our investment criteria. Our development projects represent an investment of about \$50.4 million and should yield attractive future returns for unitholders. This strategy will enable us to further expand our portfolio and increase its value when market conditions do not match our acquisitions criteria.”

## **Cominar Real Estate Investment Trust — Press Release (cont'd)**

**During the nine-month period ended September 30, 2005**, rental revenues grew by 10.4%, or \$8.5 million, to \$90.9 million, compared with \$82.3 million for the corresponding period of 2004. **Net operating income** rose 9.6% to \$54.2 million. **Distributable income** for this same period hit \$32.5 million, or \$0.998 per unit, compared to \$31.1 million, or \$0.978 per unit, in 2004. This excludes non-recurring income of \$740,000 realized in the second quarter of last year as a result of the settlement of a legal dispute. **Distributions to unitholders** increased 5.6%, from \$27.8 million to \$29.4 million. After excluding, for comparison purposes, the abovementioned amount of \$740,000, adjusted funds from operations stood at \$37.3 million compared to \$35.7 million, an increase of 4.5% over the nine-month period ended September 30, 2004. Year-to-date adjusted funds from operations per unit were \$1.146 versus \$1.122 in 2004.

### **Stable Occupancy Levels**

As at September 30, 2005, Cominar showed an **occupancy rate** of 95.3%, in line with occupancy levels of June 30, 2005 and September 30, 2004.

### **Continued Financial Strength**

Cominar maintained its solid financial position in the third quarter of 2005, with a **debt to gross book value ratio** of 49.6%, whereas a rate of 60% is authorized by its Contract of Trust. However, in accordance with its conservative debt management policy, Cominar prefers to keep this ratio below 55%, leaving it with an acquisition capacity of \$90.0 million as at September 30, 2005.

### **Projects Under Development Progressing Well**

Cominar currently has 11 projects under development at various stages of completion comprising 14 buildings and 838,000 square feet of leasable space. These projects, which represent \$50.4 million in investments, are progressing on schedule.

Cominar also completed development of two properties representing 79,000 square feet of leasable space and a \$4.1 million investment.

### **Two Acquisitions**

In July 2005, Cominar completed the acquisition of an industrial and mixed-use property with 35,749 square feet of leasable space in Quebec City. The total purchase price was \$1.2 million. Cominar plans to renovate and expand the building by 31,150 square feet at a cost of approximately \$1.7 million.

Cominar also acquired 80,000 square feet of land in Quebec City in July 2005 at a cost of \$320,000. Cominar plans to build a 30,000 square foot industrial and mixed-use building at an estimated cost of \$1.6 million.

## **Cominar Real Estate Investment Trust — Press Release (cont'd)**

### **Additional Financial Information**

Cominar's consolidated financial statements and MD&A for the three months ended September 30, 2005 will be filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and are available on the REIT website at [www.cominar.com](http://www.cominar.com).

### **Conference Call and Webcast**

Management will also hold a conference call on Wednesday, November 9, 2005, at 11:30 a.m. (ET) to discuss Cominar's third quarter performance. The call may be accessed by dialing 1-800-814-4860. A presentation highlighting the third quarter results is available on the Cominar website at [www.cominar.com](http://www.cominar.com) under the "Conference Call" section. The event will be simultaneously webcast at [www.q1234.com](http://www.q1234.com).

### **PROFILE as at November 9, 2005**

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 **125 properties in the Greater Montreal and Quebec City areas, consisting of 14 office, 27 retail and 84 industrial and mixed-use buildings, totaling approximately 9.5 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 accretive growth of its portfolio.

Cominar has a distribution reinvestment plan for its unitholders that allows participants to reinvest their monthly cash distributions in additional Cominar units **at an effective discount of 5%**. Additional information and enrolment forms are available at [www.cominar.com](http://www.cominar.com).

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

*Net operating income, distributable income and funds from operations are not measures defined by generally accepted accounting principles and may not be comparable to similar measures presented by other issuers. Readers are directed to the Management Discussion and Analysis of Financial Condition and the Results of Operations ("MD&A") for the quarter ended September 30, 2005, for a description of the measures and a reconciliation of the measures to net income.*

*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 further 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 (cont'd)

The complete consolidated financial statements, including the notes thereto, are available on Cominar website at [www.cominar.com](http://www.cominar.com) under “MD&A and Financial Statements” as well as on SEDAR at [www.sedar.com](http://www.sedar.com).

### COMINAR REAL ESTATE INVESTMENT TRUST Consolidated Balance Sheets

(in thousands of dollars)	As at September 30, 2005 (unaudited) \$	As at December 31, 2004 (audited) \$
<b>Assets</b>		
Income properties	639,192	640,889
Properties under development	31,241	20,967
Deferred expenses and other assets	26,812	26,736
Prepaid expenses	7,210	2,010
Accounts receivable	10,259	6,878
Cash and cash equivalents	—	8,174
	<b>714,714</b>	<b>705,654</b>
<b>Liabilities and Unitholders' Equity</b>		
<b>Liabilities</b>		
Mortgages payable	256,063	262,247
Convertible debentures	98,455	100,000
Bank indebtedness	19,949	—
Accounts payable and accrued liabilities	16,073	18,388
Distributions payable to unitholders	3,271	3,551
	<b>393,811</b>	<b>384,186</b>
<b>Unitholders' equity</b>		
Unitholders' contributions	334,729	328,433
Cumulative net income	175,545	153,136
Cumulative distributions	(189,706)	(160,353)
Contributed surplus	335	252
	<b>320,903</b>	<b>321,468</b>
	<b>714,714</b>	<b>705,654</b>

## Cominar Real Estate Investment Trust — Press Release (cont'd)

### 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)	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>Operating revenues</b>				
Rental revenue				
from income properties	<b>29,812</b>	27,108	<b>90,889</b>	82,341
<b>Operating expenses</b>				
Operating costs	<b>5,544</b>	4,964	<b>18,313</b>	16,730
Realty taxes and services	<b>4,935</b>	4,602	<b>17,367</b>	15,249
Property management expenses	<b>299</b>	264	<b>960</b>	864
	<b>10,778</b>	9,830	<b>36,640</b>	32,843
<b>Operating income before the undernoted:</b>	<b>19,034</b>	17,278	<b>54,249</b>	49,498
Interest on borrowings	<b>5,180</b>	4,473	<b>15,725</b>	12,517
Depreciation of income properties	<b>3,748</b>	3,223	<b>11,043</b>	8,989
Amortization of deferred expenses and other assets	<b>1,391</b>	1,155	<b>4,144</b>	3,921
	<b>10,319</b>	8,851	<b>30,912</b>	25,427
Operating income from real estate assets	<b>8,715</b>	8,427	<b>23,337</b>	24,071
Trust administrative expenses	<b>466</b>	449	<b>1,366</b>	1,423
Other income	<b>73</b>	56	<b>181</b>	995
<b>Income before discontinued operations</b>	<b>8,322</b>	8,034	<b>22,152</b>	23,643
<b>Income from discontinued operations</b>	<b>—</b>	—	<b>257</b>	—
<b>Net income for the period</b>	<b>8,322</b>	8,034	<b>22,409</b>	23,643
<b>Basic net income per unit</b>	<b>0.255</b>	0.252	<b>0.689</b>	0.743
<b>Diluted net income per unit</b>	<b>0.251</b>	0.250	<b>0.678</b>	0.738

Cominar Real Estate Investment Trust — Press Release (cont'd)

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

Period ended September 30, (unaudited, in thousands of dollars)	Quarter		Cumulative (nine months)	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>Unitholders' contributions</b>				
Balance, beginning of period	332,843	323,190	328,433	320,604
Issue of units	1,886	683	6,296	3,269
Balance, end of period	334,729	323,873	334,729	323,873
<b>Cumulative net income</b>				
Balance, beginning of period	167,223	137,210	153,136	121,640
Change in accounting policy	—	—	—	(39)
Net income for the period	8,322	8,034	22,409	23,643
Balance, end of period	175,545	145,244	175,545	145,244
<b>Cumulative distributions</b>				
Balance, beginning of period	(179,891)	(141,052)	(160,353)	(122,647)
Distributions to unitholders	(9,815)	(9,395)	(29,353)	(27,800)
Balance, end of period	(189,706)	(150,447)	(189,706)	(150,447)
<b>Contributed surplus</b>				
Balance, beginning of period	287	184	252	—
Change in accounting policy	—	—	—	39
Unit option plan	48	72	83	217
Balance, end of period	335	256	335	256
<b>Unitholders' equity</b>	<b>320,903</b>	<b>318,926</b>	<b>320,903</b>	<b>318,926</b>

## Cominar Real Estate Investment Trust — Press Release (cont'd)

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

Period ended September 30, (unaudited, in thousands of dollars)	Quarter		Cumulative (nine months)	
	2005 \$	2004 \$	2005 \$	2004 \$
<b>Operating Activities</b>				
Net income for the period	8,322	8,034	22,409	23,643
Adjustments:				
Depreciation of income properties	3,748	3,223	11,070	8,989
Amortization of above-market leases	30	22	90	25
Amortization of deferred leasing costs	1,355	1,113	4,038	3,781
Amortization of deferred financing costs and other assets	174	92	520	257
Compensation costs related to unit option plan	55	72	146	217
Gain on sale of an income property	—	—	(248)	—
Leasing costs	(1,543)	(2,800)	(4,320)	(4,850)
Change in non-cash operating working capital items	4,875	2,623	(2,583)	(10,023)
	<b>17,016</b>	<b>12,379</b>	<b>31,122</b>	<b>22,039</b>
<b>Financing Activities</b>				
Repayments of mortgages payable	(2,459)	(15,960)	(7,211)	(21,110)
Bank indebtedness	3,070	(19,754)	19,949	—
Net proceeds from issue of convertible debentures	—	96,250	—	96,250
Distributions to unitholders	(9,801)	(9,395)	(29,633)	(24,650)
Net proceeds from issue of units	542	682	4,688	3,268
	<b>(8,648)</b>	<b>51,823</b>	<b>(12,207)</b>	<b>53,758</b>
<b>Investing Activities</b>				
Acquisitions of income properties	(7,758)	(55,627)	(14,522)	(91,659)
Net proceeds from disposition of an income property	—	—	675	—
Acquisitions of properties under development	(578)	4,850	(13,099)	(4,355)
Other assets	(32)	(213)	(143)	(231)
	<b>(8,368)</b>	<b>(50,990)</b>	<b>(27,089)</b>	<b>(96,245)</b>
Net change in cash and cash equivalents	—	13,212	(8,174)	(20,448)
Cash and cash equivalents, beginning of period	—	—	8,174	33,660
Cash and cash equivalents, end of period	—	13,212	—	13,212