

**Press Release**  
For Immediate Release

**Cominar announces excellent results  
for its third quarter ended September 30, 2007**

- Increases of 71.0% in operating revenues and 70.0% in net operating income
- Recurring distributable income and funds from operations respectively up 41.7% and 41.0%
- Acquisition of an interest in seven industrial properties for a consideration of \$17.3 million

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Quebec City, November 7, 2007 — Cominar (“Cominar” or the “REIT”) announces its results for the third quarter and nine-month period ended September 30, 2007.

**Financial Highlights** (unaudited) (in thousands of \$, except per-unit amounts)

For the periods ended September 30	Quarter			Cumulative (nine months)		
	2007	2006	%Δ	2007	2006	%Δ
Operating revenues	<b>53,077</b>	31,042	71.0	<b>128,824</b>	94,492	36.3
Net operating income	<b>33,487</b>	19,704	70.0	<b>77,389</b>	56,680	36.5
Net income	<b>6,868</b>	9,100	(24.5)	<b>22,882</b>	23,628	(3.2)
RDI	<b>18,307</b>	12,919	41.7	<b>44,929</b>	35,221	27.6
Recurring FFO	<b>20,830</b>	14,778	41.0	<b>51,668</b>	40,871	26.4
Distributions	<b>14,640</b>	10,744	36.3	<b>39,224</b>	31,069	26.2
<b>Per unit (fully diluted)</b>						
RDI	<b>0.40</b>	0.36	11.1	<b>1.09</b>	1.01	7.9
Recurring FFO	<b>0.45</b>	0.41	9.8	<b>1.24</b>	1.15	7.8
Distributions	<b>0.325</b>	0.306	6.2	<b>0.943</b>	0.914	3.2

**For the third quarter ended September 30, 2007, operating revenues** totalled \$53.1 million, up 71.0% over 2006. This increase is due to the contribution of the acquisitions integrated since the beginning of 2007, to which is added the strong performance of the portfolio. Combined with the solid results of the two previous quarters, this growth brought **operating revenues for the first nine months of 2007** to \$128.8 million, up \$34.3 million or 36.3% over the same period in 2006.

**Net operating income for the third quarter** amounted to \$33.5 million, up 70.0% over the equivalent period of 2006. **For the first nine months, net operating income** rose 36.5% to \$77.4 million.

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

**Recurring distributable income (“RDI”) for the third quarter** grew 41.7% to \$18.3 million, up from \$12.9 million in 2006. Fully diluted RDI per unit amounted to \$0.40, compared with \$0.36 for the third quarter of 2006. **For the first nine months, RDI** totalled \$44.9 million, up 27.6% over \$35.2 million in 2006. Fully diluted RDI per unit rose to \$1.09 from \$1.01 in 2006.

**Recurring funds from operations (“recurring FFO”)** rose 41.0% to \$20.8 million **for the third quarter**, up from \$14.8 million for the corresponding quarter of 2006. Fully diluted recurring FFO per unit amounted to \$0.45, up 9.8% over 2006. **For the first nine months, recurring FFO** grew 26.4% to \$51.7 million, compared with \$40.9 million for the same period in 2006. Fully diluted recurring FFO per unit grew to \$1.24, up 7.8% over 2006.

During the quarter, Cominar paid **distributions** of \$14.6 million to unitholders, up 36.3% over the distributions paid in the corresponding quarter of 2006. **Distributions per unit** rose to \$0.325 from \$0.306 the previous year.

“The third quarter was a very active and profitable one. We pursued the integration of the major acquisition we closed in June 2007. Combined with the other acquisitions closed since the beginning of 2007, we have added a total of 67 properties to our portfolio in the last nine months, representing approximately 7 million square feet. This expansion has increased our portfolio’s total leasable space by 67.2% and its gross book value by 80.0%, from \$846.0 million to \$1.52 billion as at September 30, 2007. In addition, it has greatly improved the geographic breakdown of our portfolio and of our net operating income, 51.1% of which came from the Montreal region in the third quarter, 42.5% from the Greater Quebec City area where we maintain our dominant position, and 6.4% from the Ottawa area,” indicated Michel Dallaire, President and Chief Executive Officer of Cominar.

### **Debt Ratio**

As at September 30, 2007, Cominar had a **debt to gross book value ratio** of 55.8%, which would allow it to acquire up to \$401 million in properties at the maximum debt ratio of 65% authorized by its Contract of Trust at the last Annual Meeting of Unitholders.

### **Operational Highlights**

The **portfolio occupancy rate** stood at 94.3% as at September 30, 2007, compared with 93.5% as at June 30, 2007, almost reaching the 94.4% occupancy rate posted at December 31, 2006. The significant increase in the third-quarter occupancy rate is due to the intensive efforts made by Cominar’s leasing team to raise the occupancy rate of the properties recently acquired from Alexis Nihon, which had a lower occupancy rate than Cominar.

### **Subsequent Events**

On October 10, 2007, Cominar issued \$110.0 million in unsecured subordinated convertible debentures bearing interest at 5.80% per annum and maturing September 30, 2014. The net proceeds from the issue was used for the repayment of outstanding credit facilities.

On October 15, 2007, Cominar acquired land covering 119,986 square feet for future development, located on one of the main arteries in Downtown Quebec City, for a cash consideration of \$9.7 million.

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

### **Outlook**

"We expect to achieve satisfactory growth for the year ending December 31, 2007. In order to create further value, we will continue to carefully manage Cominar's portfolio, by tightly controlling operating costs and maintaining optimal internal growth, while remaining on the lookout for expansion-by-acquisition and development in line with our earnings and long-term growth criteria," concluded Michel Dallaire.

### **Additional Financial Information**

Cominar's interim consolidated financial statements and the management's discussion and analysis for the third quarter and first nine months ended September 30, 2007 will be filed 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 7, 2007, at 11:30 a.m. (EST)**, Cominar's management will hold a conference call to discuss the third-quarter results. Anyone who is interested may take part in this call by dialing **1-800-590-1508**. 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) and a presentation of results will also be available on Cominar's website under "Conference Call".

### **PROFILE as at November 7, 2007**

Cominar is one of the largest retail property owners and managers in the Province of Quebec. The REIT owns a real estate portfolio of **205 high-quality properties, consisting of 36 office, 36 retail and 133 industrial and mixed-use buildings that cover a total area of over 17.0 million square feet in the Greater Quebec City, Montreal and Ottawa areas.** Cominar's objectives are to deliver growing cash distributions to its unitholders and to maximize unitholder value through proactive management and the growth of its portfolio.

The REIT has a distribution reinvestment plan for its unitholders that allows participants to reinvest their monthly 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 enrolment forms are available at [www.cominar.com](http://www.cominar.com)

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

*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 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 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 the Annual Information Form of Cominar. 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 Real Estate Investment Trust — Press Release (cont'd)**

*Net operating income ("NOI"), distributable income ("DI"), funds from operations ("FFO") and adjusted funds from operations ("AFFO") are not measures recognized under Canadian generally accepted accounting principles ("GAAP") and do not have standardized meanings prescribed by GAAP. NOI, DI, FFO and AFFO computed by Cominar 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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For information:

**Michel Dallaire, Eng.**, President and Chief Executive Officer

**Michel Berthelot, CA**, Executive Vice-President and Chief Financial Officer

Tél. : (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 interim 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, 2007 [unaudited] \$	As at December 31, 2006 [audited] \$
<b>ASSETS</b>		
Income properties	1,324,189	711,441
Properties under development	37,497	16,628
Land held for future development	15,902	7,604
Deferred expenses and other assets	30,988	28,057
Prepaid expenses	12,382	2,654
Accounts receivable	21,051	20,071
	<b>1,442,009</b>	<b>786,455</b>
<b>LIABILITIES AND UNITHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Mortgages payable	626,052	270,142
Convertible debentures	99,155	39,984
Bank indebtedness	124,281	73,616
Accounts payable and accrued liabilities	38,199	21,606
Distributions payable to unitholders	4,966	4,099
	<b>892,653</b>	<b>409,447</b>
<b>Unitholders' equity</b>		
Unitholders' contributions	589,329	400,698
Cumulative net income	241,420	218,538
Cumulative distributions	(281,850)	(242,626)
Contributed surplus	457	398
	<b>549,356</b>	<b>377,008</b>
	<b>1,442,009</b>	<b>786,455</b>

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

Period ended September 30,	Quarter		Cumulative (nine months)	
	2007	2006	2007	2006
[unaudited, in thousands of dollars]	\$	\$	\$	\$
<b>Unitholders' contributions</b>				
Balance, beginning of period	<b>580,683</b>	362,384	<b>400,698</b>	338,230
Issue of units	<b>8,697</b>	31,813	<b>194,534</b>	55,967
Underwriters' fees and offering costs	<b>(51)</b>	-	<b>(5,903)</b>	-
Balance, end of period	<b>589,329</b>	394,197	<b>589,329</b>	394,197
<b>Cumulative net income</b>				
Balance, beginning of period	<b>234,552</b>	198,991	<b>218,538</b>	184,463
Net income	<b>6,868</b>	9,100	<b>22,882</b>	23,628
Balance, end of period	<b>241,420</b>	208,091	<b>241,420</b>	208,091
<b>Cumulative distributions</b>				
Balance, beginning of period	<b>(267,210)</b>	(220,227)	<b>(242,626)</b>	(199,902)
Distributions to unitholders	<b>(14,640)</b>	(10,744)	<b>(39,224)</b>	(31,069)
Balance, end of period	<b>(281,850)</b>	(230,971)	<b>(281,850)</b>	(230,971)
<b>Contributed surplus</b>				
Balance, beginning of period	<b>407</b>	342	<b>398</b>	351
Unit option plan	<b>50</b>	44	<b>59</b>	35
Balance, end of period	<b>457</b>	386	<b>457</b>	386
<b>Unitholders' equity</b>	<b>549,356</b>	371,703	<b>549,356</b>	371,703

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

Period ended September 30, [unaudited, in thousands of dollars except per unit amounts]	Quarter		Cumulative (nine months)	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>Operating revenues</b>				
Rental revenue from income properties	53,077	31,042	128,824	94,492
<b>Operating expenses</b>				
Operating costs	9,135	5,551	24,059	18,394
Realty taxes and services	9,900	5,566	26,210	18,624
Property management expenses	555	221	1,166	794
	19,590	11,338	51,435	37,812
<b>Operating income before the undernoted</b>	<b>33,487</b>	19,704	<b>77,389</b>	56,680
Interest on borrowings	12,468	5,584	25,533	17,033
Depreciation of income properties	12,047	3,889	23,410	11,327
Amortization of deferred leasing costs	1,761	1,537	5,180	4,601
Amortization of other assets	59	43	161	128
	26,335	11,053	54,284	33,089
<b>Operating income from real estate assets</b>	<b>7,152</b>	8,651	<b>23,105</b>	23,591
Trust administrative expenses	749	557	2,201	1,628
Other revenues	133	48	308	201
Unusual items	-	-	422	(554)
<b>Net income from continuing operations</b>	<b>6,536</b>	8,142	<b>21,634</b>	21,610
<b>Net income from discontinued operations</b>	<b>332</b>	958	<b>1,248</b>	2,018
<b>Net income and comprehensive income</b>	<b>6,868</b>	9,100	<b>22,882</b>	23,628
<b>Basic net income per unit</b>	<b>0,153</b>	0,263	<b>0,567</b>	0,701
<b>Diluted net income per unit</b>	<b>0,152</b>	0,259	<b>0,558</b>	0,691

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

Period ended September 30,	Quarter		Cumulative (nine months)	
	2007	2006	2007	2006
[unaudited, in thousands of dollars]	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net income	6,868	9,100	22,882	23,628
Adjustments for:				
Depreciation of income properties	12,201	4,141	24,028	12,088
Amortization of above- (below-) market leases	(170)	30	(178)	90
Amortization of deferred leasing costs	1,761	1,537	5,180	4,601
Amortization of deferred financing costs and other assets	243	183	601	535
Compensation costs related to unit option plan	70	83	169	145
	20,973	15,074	52,682	41,087
Change in non-cash working capital items	9,738	2,682	5,740	(7,978)
	30,711	17,756	58,422	33,109
<b>FINANCING ACTIVITIES</b>				
Mortgages payable	-	-	167,987	59,433
Repayments of mortgages payable	(4,061)	(21,931)	(60,811)	(39,267)
Bank indebtedness	(19,509)	39,566	50,666	21,688
Distributions to unitholders	(13,739)	(10,250)	(37,028)	(30,095)
Net proceeds from issue of units	201	716	168,781	5,487
Net proceeds from issue of convertible debentures	-	-	77,386	-
	(37,108)	8,101	366,981	17,246
<b>INVESTING ACTIVITIES</b>				
Additions to income properties	(9,666)	(12,472)	(413,631)	(31,080)
Additions to properties under development and land held for future development	(9,526)	(10,825)	(32,358)	(13,816)
Compensation on disposal of a real estate asset	28,000	-	28,000	-
Leasing costs	(2,353)	(2,526)	(7,171)	(5,252)
Other assets	(58)	(34)	(243)	(207)
	6,397	(25,857)	(425,403)	(50,355)
<b>Net change in cash and cash equivalents</b>	-	-	-	-
Cash and cash equivalents, beginning of period	-	-	-	-
<b>Cash and cash equivalents, end of period</b>	-	-	-	-