



## PRESS RELEASE

For Immediate Release

# Cominar continues its growth in the Toronto Market

Quebec City, May 8, 2014 — Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) (TSX: CUF.UN) announced today its results for the first quarter of fiscal year 2014.

### Highlights for the First Quarter Ended March 31, 2014

- Increased net operating income by 2.3%
- Increased recurring adjusted funds from operations by 2.0%
- Increased recurring distributable income (basic) per unit by 2.6%
- Invested \$257 million in acquisitions of investment properties (+ 1.3 million sq. ft.)

### Subsequent Event

- Acquired 14 primarily industrial and mixed-use properties for \$100.7 million (+ 1.2 million sq. ft.) in the Greater Toronto with a capitalization rate of 7.1%

“For the quarter ended March 31, 2014 our operating revenues increased by 3.7% and our recurring adjusted funds from operations by 2.0%” compared to the same quarter last year, said Michel Dallaire, President and Chief Executive Officer of Cominar.

“We keep our eyes open for acquisition opportunities that would allow us to improve our geographical diversification with profitability and value creation for our unitholders as our main objective. Since January 1<sup>st</sup> 2014, we realized \$358 million in strategic acquisitions, with approximately 75% of the net operating income coming from the Toronto real estate market. We are confident that these acquisitions, as well as those made in prior periods, will contribute well to our results as well as the daily efforts being made to promote organic growth in each of our markets”, added Michel Dallaire.

## PRESENTATION OF RESULTS

For the first quarter ended March 31, 2014, **operating revenues** increased to \$175.8 million, up 3.7% over the corresponding period in 2013 when operating revenues were \$169.6 million.

**Net operating income** reached \$92.0 million, up 2.3% compared to net operating income in the first quarter of 2013.

**Recurring distributable income** reached \$49.0 million, up 2.4% over the first quarter of 2013. The **basic recurring distributable income per unit** amounted to \$0.39 for the quarter ended March 31, 2014, up 2.6% compared to the same period of 2013.

**Recurring funds from operations** for the first quarter of 2014 reached \$55.7 million, at a comparable level to the first quarter of 2013. **Recurring adjusted funds from operations per unit fully diluted** amounted to \$0.44 in the first quarters of 2014 and 2013.

**Recurring adjusted funds from operations** for the first quarter of 2014 reached \$48.3 million, up 2.0% compared to 2013. Fully diluted per unit, they reached \$0.38 in 2014 and 2013.

## FINANCIAL SITUATION

As at March 31, 2014, Cominar had a **debt ratio** (excluding convertible debentures) of 49.8%. The **annualized interest coverage ratio** stood at 2.68:1. At the end of the first quarter of 2014, **total assets** reached \$6,279.0 million, up 4.7% over December 31, 2013.

## ACQUISITION ACTIVITIES

Completed \$257.0 million in strategic acquisitions of 16 new investment properties totalling 1.3 million square feet at a weighted average capitalization rate of 7.0%.

## SUBSEQUENT EVENT AFTER MARCH 31, 2014

On May 1<sup>st</sup>, 2014, Cominar acquired a portfolio of 14 primarily industrial and mixed-use properties in the Greater Toronto Area, comprising a total of approximately 1,184,000 square feet in leasable area, for a purchase price of \$100.7 million; \$63.2 million paid in cash and \$37.5 million by assuming mortgages payable. The capitalisation rate of this transaction is 7.1%.

## ADDITIONAL FINANCIAL INFORMATION

Cominar's condensed interim consolidated financial statements and management's discussion and analysis for the first quarter 2014, will be filed with SEDAR at [www.sedar.com](http://www.sedar.com) and will be available on Cominar's website at [www.cominar.com](http://www.cominar.com).

## CONFERENCE CALL ON MAY 8, 2014

On **Thursday, May 8, 2014 at 11 a.m.** (ET), Cominar's management will hold a conference call to present the results for first quarter 2014. Anyone who is interested may take part in this call by dialing **1.888.231.8191**. A presentation regarding these results will be available before the conference call on the REIT's website at [www.cominar.com](http://www.cominar.com), under the Conference Call header. In addition, a taped rebroadcast of the conference call will be available from Thursday, May 8, 2014 at 2 p.m. to Thursday, May 15, 2014 at 11:59 p.m., by dialing **1.855.859.2056** followed by this code: **29987536**.

## DISTRIBUTION REINVESTMENT PLAN

Cominar offers unitholders the opportunity to participate in its Unitholder Distribution Reinvestment Plan, which allows them to receive their monthly cash distributions as additional Cominar units. Participants will be entitled to receive an additional distribution equal to 5% of the distributions reinvested, which will be reinvested in additional units. For more information and to obtain a participation form, please visit Cominar's website at [www.cominar.com](http://www.cominar.com).

## PROFILE AS AT MAY 8, 2014

Cominar is the third largest diversified real estate investment trust in Canada and currently remains the largest commercial property owner in the Province of Quebec. The REIT owns a real estate portfolio of 527 properties in three different market segments, that is, office properties, retail properties and industrial and mixed-use properties. Cominar's portfolio totals 39.5 million square feet spread out across Quebec, Ontario, the Atlantic Provinces and Western Canada. Cominar's objectives are to pay growing cash distributions to unitholders and to maximize unitholder value through proactive management and the expansion of its portfolio.

## 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.

## NON-IFRS MEASURES

Net operating income, recurring distributable income (DI), recurring funds from operations (FFO) and recurring adjusted funds from operations (AFFO) 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. Cominar’s Management Discussion and Analysis for the first quarter ended March 31, 2014, presents the reconciliation of DI, FFO and AFFO with the most similar IFRS measures:

## NON-IFRS MEASURES

Quarters ended March 31	2014	2013	Δ%	2014	2013	Δ%
	(\$000)	(\$000)		(\$ per unit)	(\$ per unit)	
Net operating income	91,993	89,922	2.3			
Recurring distributable income	49,009	47,869	2.4	0.39 <sup>(1)</sup>	0.38 <sup>(1)</sup>	2,6
Distributions	46,277	45,155	2.5	0.36	0.36	-
Recurring funds from operations	55,700	55,390	0.6	0.44 <sup>(2)</sup>	0.44 <sup>(2)</sup>	-
Recurring adjusted funds from operations	48,319	47,374	2.0	0.38 <sup>(2)</sup>	0.38 <sup>(2)</sup>	-

(1) basic

(2) fully diluted

### For information:

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