



## PRESS RELEASE

For Immediate Release

# Cominar Continues to Grow

Quebec City, February 28, 2014 — Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) (TSX: CUF.UN) announced today its results for the fourth quarter and for fiscal year 2013.

### Highlights for the Year Ended December 31, 2013

- Increased operating revenues by 17.3%
- Increased net operating income by 15.9%
- Increased recurring adjusted funds from operations by 17.0%
- Decreased recurring distributable income payout ratio to 91.1%
- Invested \$227.5 million in acquisitions of income properties
- Continuation of our debt management strategy with a reduction of the weighted average interest rate of fixed-rate debt by 21 basis points

### Subsequent Events

- Acquired 11 office properties for \$228.8 million (+ 1.2 million sq. ft.) in the Greater Montreal and Toronto Areas
- Acquired a retail Complex of 5 properties for \$28.2 million (+ 120 000 pi. ca) in the Greater Montréal Area

"After a year 2013 marked by the integration of our large acquisitions completed in 2012 and the subsequent debt reduction, we're proud of our performance in fiscal 2013. Our recurring adjusted funds from operations grew 2.7% per unit fully diluted. This growth is the result of our acquisition strategy and the work of all of our personnel, who focus on creating long-term value for unitholders," said Michel Dallaire, President and Chief Executive Officer of Cominar.

"2014 is well underway, especially with the new acquisitions that we have completed to date and the formal entry into function, on March 17 of Gilles Hamel, CPA, CA as Executive Vice President and Chief Financial Officer of Cominar upon the retirement of Mr. Michel Berthelot. Gilles previously joined Cominar in July 2013 as vice president Corporate Finance and Administration. Experienced accountant who has advised Cominar and many other public and private companies over the years, Gilles is an experienced leader with deep knowledge of our business and culture. We are very happy to confirm Gilles in his new role" added Michel Dallaire.

## PRESENTATION OF RESULTS

For the year ended December 31, 2013, **operating revenues** increased to \$662.1 million, up 17.3% compared to fiscal 2012 when operating revenues were \$564.5 million. This increase is mainly due to the acquisitions completed in 2012 and 2013.

**Net operating income** reached \$368.2 million, up 15.9% compared to net operating income in 2012.

**Recurring distributable income** reached \$198.5 million, up 16.8% compared to 2012. The **basic recurring distributable income per unit** amounted to \$1.58 as at December 31, 2013, up 1.9% compared to 2012, parallel to the reduction in 2013 of the recurring distributable income payout ratio to 91.1%.

**Recurring funds from operations** for fiscal 2013 reached \$225.9 million, up 12.7% over fiscal 2012. **Recurring adjusted funds from operations per unit fully diluted** amounted to \$1.77, compared to \$1.78 for 2012. This variation results mainly from a reduction in the recognition of leases on a straight-line basis caused by client bankruptcies in 2013.

**Recurring adjusted funds from operations** for fiscal 2013 reached \$194.8 million, up 17.0% compared to 2012. Fully diluted per unit, they reached \$1.54, up 2.7%.

## FINANCIAL SITUATION

As at December 31, 2013, Cominar had a **debt ratio** (excluding convertible debentures) of 48.2%. The **interest coverage ratio** improved to 2.70:1. At the end of fiscal 2013, **total assets** reached \$5,997.3 million, up 6.8% over the previous fiscal year.

## ACQUISITION ACTIVITIES

Completed \$227.5 million in strategic acquisitions of 24 new income properties totalling 2.3 million square feet at a weighted average capitalization rate of 7.1%.

## SUBSEQUENT EVENTS AFTER DECEMBER 31, 2013

On February 26, 2014, Cominar acquired, from Redbourne Realty Fund, a portfolio of 11 office properties in the greater Toronto and Montreal areas for the amount of \$228.8 million, of which \$127.9 million was paid in cash and \$100.9 million by the assumption of mortgages payable. This portfolio includes four office properties located at 225 Duncan Mill Road, at 95 and 105 Moatfield Drive in Toronto and at 5500 North Service Road in Burlington, which represent a total leasable area of approximately 780,000 square feet. It also includes seven office properties on Cavendish and de la Côte Vertu boulevards and on the Trans-Canada Highway in Montreal, with a total leasable area of 400,000 square feet. The capitalization rate for this transaction is 7.0%. This acquisition has a significant impact on Cominar's geographic diversification, increasing the contribution of its Ontario properties to net operating income to approximately 13.3% on a pro forma basis.

On February 27, 2014, Cominar acquired a retail complex of 5 properties for \$28.2 million paid in cash. The complex of 120,000 square feet is located in the Greater Montréal Area. The capitalization rate is 7.0%

Following these two acquisitions with a weighted average occupancy rate of 92.3%, Cominar's debt ratio (excluding the convertible debentures) will stand at 50.3%, a ratio that management is very comfortable with.

## ADDITIONAL FINANCIAL INFORMATION

Cominar's consolidated financial statements and management's discussion and analysis for the fourth quarter and the year ended on December 31, 2013, 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 FEBRUARY 28, 2014**

On **Friday, February 28, 2014 at 11 a.m.** (ET), Cominar's management will hold a conference call to present the results for fiscal 2013. 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 Friday, February 28, 2014 at 2 p.m. to Friday, March 7, 2014 at 11:59 p.m., by dialing **1.855.859.2056** followed by this code: **39609473**.

## **DISTRIBUTIONS 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 FEBRUARY 28, 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 508 properties in three different market segments, that is, office properties, retail properties and industrial and mixed-use properties. Cominar's portfolio totals 38.3 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’s Discussion and Analysis for the fiscal year ended December 31, 2013, presents the reconciliation of DI, FFO and AFFO with the most similar IFRS measures:*

## NON-IFRS MEASURES

Years ended December 31	2013 (\$000)	2012 (\$000)	Δ%	2013 (\$ per unit)	2012 (\$ per unit)	Δ%
Net operating income	<b>368,210</b>	317,815	15.9			
Recurring distributable income	<b>198,479</b>	169,905	16.8	<b>1.58<sup>(1)</sup></b>	1.55 <sup>(1)</sup>	1.9
Distributions	<b>182,977</b>	164,021	11.6	<b>1.44</b>	1.44	-
Recurring funds from operations	<b>225,855</b>	200,450	12.7	<b>1.77<sup>(2)</sup></b>	1.78 <sup>(2)</sup>	(0.6)
Recurring adjusted funds from operations	<b>194,776</b>	166,412	17.0	<b>1.54<sup>(2)</sup></b>	1.50 <sup>(2)</sup>	2.7

(1) basic

(2) fully diluted

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### For information:

Michel Dallaire, Eng., President and Chief Executive Officer

Gilles Hamel, CPA, CA, Vice President, Corporate Finance and Administration

Tel.: (418) 681-8151

[michel.dallaire@cominar.com](mailto:michel.dallaire@cominar.com)

[gilles.hamel@cominar.com](mailto:gilles.hamel@cominar.com)