



ALLIED PROPERTIES REIT ANNOUNCES FIRST-QUARTER RESULTS WITH STRONG LEASING MOMENTUM

TORONTO, MAY 6, 2015

Allied Properties REIT (TSX:APUN) today announced results for its first quarter ended March 31, 2015. “We’ve had a strong start to the year,” said Michael Emory, President and CEO. “Our performance measures in the first quarter met our expectations, and our leasing activity was exceptionally strong, all of which bodes well for our results over the remainder of the year.”

The first-quarter results are summarized below:

(In thousands except for per unit and % amounts)	Q1 2015	Q1 2014	CHANGE	% CHANGE
Net income excluding IFRS value adjustments	34,324	31,327	2,997	9.6%
Same-asset net operating income (“NOI”)	45,263	47,248	(1,985)	(4.2%)
Funds from operations (“FFO”)	39,418	35,010	4,408	12.6%
FFO per unit (diluted)	\$ 0.51	\$0.51	\$ -	0.0%
FFO pay-out ratio	71.0%	69.4%	1.6%	
Adjusted FFO (“AFFO”)	35,293	31,864	3,429	10.8%
AFFO per unit (diluted)	\$0.46	\$0.46	\$ -	0.0%
AFFO pay-out ratio	79.3%	76.2%	3.1%	
Total debt as a % of investment properties	35.6%	37.4%	(1.8%)	
Net debt as a multiple of annualized Q1 EBITDA	6.4x	6.5x	(0.1x)	
Interest-coverage ratio excluding capitalized interest	4.0x	3.7x	0.3x	
Interest-coverage ratio including capitalized interest	3.1x	3.0x	0.1x	

Though moderated by an equity offering in early January and a temporary decline in same-asset NOI due to turnover vacancy, Allied's FFO and AFFO per unit in the first quarter were in-line with its internal forecast. Allied continues to expect above-average growth in FFO and AFFO per unit in 2015, with "above average" being defined as high single-digit to low double-digit growth year over year.

Allied has now leased all the office space in the restored Class I buildings at QRC West in Toronto, with the result that the 350,000-square-foot project is on the verge of full lease-up. It has also leased 86% of the GLA at 250 Front Street West and 100% of the GLA at 460 King Street West. Allied continues to lease space to large users at its Montreal properties, 6300 du Parc and 5445-5455 de Gaspé, and its Calgary properties, The Pilkington Building and Vintage I & II.

Allied's balance sheet continued to grow and strengthen in the first quarter. At quarter end, the fair value of its assets was \$3.9 billion, up 11.2% from the comparable quarter last year through a combination of acquisitions (\$188 million) and value appreciation (\$213 million), offset somewhat by dispositions (\$11 million). Allied's total debt was 35.6% of IFRS value and is comprised entirely of first mortgages with a weighted average term of 6.1 years and a weighted average interest rate of 4.7%. Its immediate liquidity was \$231 million, assuming exercise of the accordion feature on its unsecured line of credit, and it had approximately \$1.1 billion in unencumbered properties.

FFO, AFFO and EBITDA, total debt and net debt are not financial measures defined by International Financial Reporting Standards ("IFRS"). Please see Allied's MD&A for a description of these measures and their reconciliation to financial measures defined by IFRS, as presented in Allied's condensed consolidated financial statements for the quarter ended March 31, 2015. These statements, together with accompanying notes and MD&A, have been filed with SEDAR, www.sedar.com, and are also available on Allied's web-site, www.alliedreit.com.

NOI is not a measure recognized under IFRS and does not have any standardized meaning prescribed by IFRS. NOI is presented in this press release because Management of Allied believes that this non-IFRS measure is an important financial performance indicator. NOI, as computed by Allied, may differ from similar computations as reported by other similar organizations and, accordingly, may not be comparable to NOI reported by such organizations.

This press release may contain forward-looking statements with respect to Allied, its operations, strategy, financial performance and 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. Allied's actual results and performance 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. 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 regulations and the factors described under "Risk Factors" in Allied's Annual Information Form which is available at www.sedar.com.

The cautionary statements qualify all forward-looking statements attributable to Allied and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release, and Allied has no obligation to update such statements.

Allied Properties REIT is a leading owner, manager and developer of urban office environments that enrich experience and enhance profitability for business tenants operating in Canada's major cities. Its objectives are to provide stable and growing cash distributions to unitholders and to maximize unitholder value through effective management and accretive portfolio growth.

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