



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST  
ANNOUNCES RESPONSE TO UNSOLICITED PROPOSAL  
FROM FIRST CAPITAL REALTY INC.**

**Toronto, February 10, 2009** -- On February 9, 2009, Allied Properties REIT (TSX:AP.UN) received from First Capital Realty Inc. an unsolicited proposal to explore business opportunities that may or may not result in a combination of Allied and First Capital. The combination contemplated in the proposal would have involved a share for unit exchange using an exchange ratio equal to 0.81 of a First Capital common share for each Allied unit.

After reviewing the proposal and its implications for Allied's business and unitholders, the Trustees have decided not to enter into discussions with First Capital, as they disagree with the stated benefits of the proposal and do not consider a combination to be in the best interests of Allied unitholders.

Allied was formed with a specific investment and operating focus and has adhered to this focus in a disciplined and successful manner since inception. Allied has become a large, durable urban-office franchise and intends to remain focused on the consolidation of Class I and like office properties in major urban markets with a view to further strengthening its franchise for the benefit of unitholders.

*Allied Properties REIT is the leading owner and manager of Class I office properties in Canada, with portfolio assets in the urban areas of Toronto, Montreal, Winnipeg, Quebec City and Kitchener. The objectives of the REIT are to provide stable and growing cash distributions to unitholders and to maximize unitholder value through effective management and accretive portfolio growth.*

**For further information:**

Michael R. Emory  
President and Chief Executive Officer  
(416) 977-9002  
[memory@alliedpropertiesreit.com](mailto:memory@alliedpropertiesreit.com)