



**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST  
ANNOUNCES FIRST-QUARTER RESULTS**

**Toronto, May 15, 2012** -- Allied Properties REIT (TSX:AP.UN) today announced results for its first quarter ended March 31, 2012. The results are summarized below and compared to the same quarter in 2011:

(In thousands except for per unit and % amounts)	Q1 2012	Q1 2011	Change	%Change
Net income	21,919	12,835	9,084	70.8%
Same-asset NOI	27,743	22,663	5,080	22.4%
Funds from operations ("FFO")	22,931	13,143	9,788	74.5%
FFO per unit (diluted)	\$0.44	\$0.31	\$0.13	41.9%
FFO pay-out ratio	74.6%	109.1%	(34.5%)	
Adjusted FFO ("AFFO")	18,439	10,515	7,924	75.4%
AFFO per unit (diluted)	\$0.35	\$0.24	\$0.11	45.8%
AFFO pay-out ratio	92.7%	136.4%	(43.7%)	
Debt ratio (% of fair value)	44.5%	42.0%	2.5%	
Interest coverage ratio	3.2:1	2.5:1	0.7:1	

Allied's financial performance measures for the first quarter of 2012 were up significantly from the comparable quarter in 2011, reflecting increased occupancy, portfolio-wide rental growth and accretion from acquisitions completed in the past 14 months.

Allied leased 1.2 million square feet of space in the first quarter. In doing so, it extended its weighted average lease term to five years and reduced the average annual amount of area maturing from 2012 to 2016 to 8.8% of its total rental portfolio.

Allied finished the quarter with its rental portfolio 91.9% leased, 93.8% leased if upgrade properties are excluded. During the quarter, it renewed or replaced 58.1% of its leases maturing over the course of the year, resulting in an overall increase of 7.8% in net rental income per square foot from the affected space.

"With a national urban office portfolio operating at a high level of occupancy, we're well positioned for the remainder of the year," said Michael Emory, President and CEO. "We expect our FFO and AFFO per unit to continue to grow and our acquisition and value-creation activity to continue to accelerate. We also believe that our conservative balance sheet, low debt ratio, moderate mortgage maturity schedule and abundant liquidity will provide stability and facilitate growth going forward."

FFO and AFFO 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 net income and comprehensive income under IFRS, as presented in Allied's condensed interim consolidated financial statements for the quarter

ended March 31, 2012. These statements, together with accompanying notes and MD&A, have been filed with SEDAR, [www.sedar.com](http://www.sedar.com), and are also available on Allied's web-site, [www.alliedpropertiesreit.com](http://www.alliedpropertiesreit.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 the Allied's Annual Information Form which is available at [www.sedar.com](http://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.*

-30-

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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