ALLIED

# ALLIED PROPERTIES REIT ANNOUNCES THIRD-QUARTER RESULTS

TORONTO, NOVEMBER 12, 2012

Allied Properties REIT (TSX:AP.UN) today announced results for its third quarter ended September 30, 2012. "Our results reflect the continued strength of the urban areas of Canada's major cities," said Michael Emory, President and CEO. "Our rental portfolio has performed well, our acquisition program is ahead of target and our value-creation activities have accelerated and matured considerably. As a result, we've made very real progress in our effort to establish the basis for above-average FFO and AFFO per unit growth in the coming years."

The results for the third quarter are summarized below and compared to the same quarter in 2011:

| (In thousands except for per unit and % amounts) | Q3 2012 | Q3 2011 | CHANGE | % CHANGE |
|---|---|---|---|---|
| Net income | 23,719 | 15,491 | 8,228 | 53.1% |
| Same-asset NOI | 28,952 | 25,013 | 3,939 | 15.7% |
| Funds from operations ("FFO") | 26,777 | 17,559 | 9,218 | 52.5% |
| FFO per unit (diluted) | $0.46 | $0.36 | $0.10 | 27.8% |
| FFO pay-out ratio | 72.4% | 93.2% | (20.8%) | |
| Adjusted FFO ("AFFO") | 21,614 | 13,152 | 8,462 | 64.3% |
| AFFO per unit (diluted) | $0.37 | $0.27 | $0.10 | 37.0% |
| AFFO pay-out ratio | 89.7% | 124.4% | (34.7%) | |
| Debt ratio (% of fair value) | 39.9% | 44.7% | (4.8%) | |
| Interest coverage ratio | 3.5:1 | 2.8:1 | 0.7:1 | |

The results for the nine-month period ended September 30, 2012, are summarized and compared to the same period in 2011:

| (In thousands except for per unit and % amounts) | NINE MONTHS 2012 | NINE MONTHS 2011 | CHANGE | % CHANGE |
|---|---|---|---|---|
| Net income | 67,801 | 40,876 | 26,925 | 65.9% |
| Same-asset NOI | 79,316 | 67,106 | 12,210 | 18.2% |
| Funds from operations ("FFO") | 74,132 | 45,385 | 28,747 | 63.3% |
| FFO per unit (diluted) | $1.34 | $0.99 | $0.35 | 35.4% |
| FFO pay-out ratio | 74.1% | 101.4% | (27.3%) | |
| Adjusted FFO ("AFFO") | 58,277 | 34,489 | 23,788 | 69.0% |
| AFFO per unit (diluted) | $1.05 | $0.74 | $0.31 | 41.9% |
| AFFO pay-out ratio | 94.2% | 133.4% | (39.2%) | |
| Debt ratio (% of fair value) | 39.9% | 44.7% | (4.8%) | |
| Interest coverage ratio | 3.3:1 | 2.7:1 | 0.6:1 | |

Allied's financial performance measures for the third quarter and nine-month period were up significantly from the comparable periods in 2011, reflecting increased occupancy, portfolio-wide rental growth and accretion from acquisitions completed in the past 18 months.

Allied leased 1.6 million square feet of space in the first three quarters of 2012. It finished the period with its rental portfolio 92% leased, 95% leased if upgrade properties are excluded. Over the period, Allied renewed or replaced 78% of its leases maturing in 2012, resulting in an overall increase of 10% in net rental income per square foot from the affected space.

With over $300 million in acquisitions thus far in 2012, Allied is ahead of its annual target. The acquisitions have been evenly spread over Allied's three operating regions and have included a significant number of value-creation opportunities. Allied also sold three non-core properties, one in Toronto and two in Winnipeg, as well as an undivided 50% interest to joint-venture partners in three Toronto properties.

Allied's value-creation activity accelerated in the first three quarters of the year, with the addition of a large upgrade opportunity in Montréal, the acquisition of a redevelopment project in Calgary and the advancement of four urban intensification opportunities in Toronto. Allied also established two new and promising avenues of growth. One was the expansion of its telcom and IT facilities through the long-term lease of space at 250 Front Street West in Toronto. The other was the initiation of four urban intensification joint ventures in Toronto, the most recent being a joint venture with RioCan REIT and Diamond Corp. to redevelop the Globe & Mail Lands.

Allied's balance sheet continued to grow and strengthen through the period. At September 30, its weighted-average mortgage term was five years, its weighted-average interest rate 5.1%, its debt ratio 40% and its interest-coverage ratio 3.3:1. On August 14, Allied completed a $115 million offering at $30 per unit, once again locking in an all-time low cost of equity. In addition to funding future growth, Allied intends to use a portion of these funds to retire higher-rate mortgage indebtedness as it comes due.

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 September 30, 2012. 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 the 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.*

-30-

For further information, please contact:

MICHAEL R. EMORY
*President & Chief Executive Officer*

416.977.9002 | memory@alliedreit.com