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ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES FOURTH-QUARTER AND YEAR-END RESULTS WITH CONTINUING GROWTH IN FFO AND AFFO PER UNIT

TORONTO, MARCH 4, 2014

Allied Properties REIT (TSX:AP.UN) today announced results for its fourth quarter and year ended December 31, 2013. "It was all about execution and financial discipline," said Michael Emory, President and CEO. "We delivered FFO and AFFO per unit growth of 8% and 16% in 2013, pushing our FFO and AFFO pay-out ratios for the year down to 70% and 82%. This enabled us at year-end to increase our annual distribution by 4% to $1.41 per unit. We also continued our unwavering commitment to the balance sheet by further improving our debt ratios, interest coverage ratios and immediate and near-term liquidity."

The results for the fourth quarter are summarized below and compared to the same quarter in 2012:

(In thousands except for per unit and % amounts)	Q4 2013	Q4 2012	CHANGE	% CHANGE
Net income	31,169	25,524	5,645	22.1%
Same-asset net operating income ("NOI")	40,701	36,676	4,025	11.0%
Funds from operations ("FFO")	34,796	28,020	6,776	24.2%
FFO per unit (diluted)	$0.51	$0.45	$0.06	13.3%
FFO pay-out ratio	67.7%	73.2%	(5.5%)	
Adjusted FFO ("AFFO")	29,506	23,430	6,076	25.9%
AFFO per unit (diluted)	$0.43	$0.38	$0.05	13.2%
AFFO pay-out ratio	79.8%	87.5%	(7.7%)	
Total debt as a % of fair value of investment properties	35.7%	36.4%	(0.7%)	
Net debt as a multiple of annualized Q4 EBITDA	6.3:1	6.5:1	(0.2:1)	
Operating interest-coverage ratio	4.1:1	3.7:1	0.4:1	
Total interest-coverage ratio	3.0:1	2.8:1	0.2:1	

The results for the year ended December 31, 2013, are summarized below and compared to the same period in 2012:

(In thousands except for per unit and % amounts)	2013	2012	CHANGE	% CHANGE
Net income	118,234	93,325	24,909	26.7%
Same-asset net operating income ("NOI")	139,059	126,670	12,389	9.8%
Funds from operations ("FFO")	131,679	102,152	29,527	28.9%
FFO per unit (diluted)	$1.94	$1.79	$0.15	8.4%
FFO pay-out ratio	70.0%	73.8%	(3.8%)	
Adjusted FFO ("AFFO")	112,135	81,707	30,428	37.2%
AFFO per unit (diluted)	$1.66	$1.43	$0.23	16.1%
AFFO pay-out ratio	82.2%	92.3%	(10.1%)	
Total debt as a % of fair value of investment properties	35.7%	36.4%	(0.7%)	
Net debt as a multiple of annualized Q4 EBITDA	6.3:1	6.5:1	(0.2:1)	
Operating interest-coverage ratio	4.0:1	3.2:1	0.8:1	
Total interest-coverage ratio	3.0:1	2.7:1	0.3:1	

Allied's financial performance measures for the fourth quarter and fiscal year were up from the comparable quarter and period in 2012, despite a continuing reduction in its debt ratios. This is a result of increased occupancy, portfolio-wide rental growth, accretion from recent acquisitions and increasing NOI as a result of value-creation activity.

Allied's operating performance measures were also strong. Having leased over 1.5 million square feet of space in 2013, Allied finished the year with its rental portfolio 91.9% leased, 94.4% leased if upgrade properties are excluded. Allied renewed or replaced leases for 85.6% of the GLA that matured in the 2013. This resulted in an overall increase of 8.9% in net rental income per square foot from the affected space.

With $182 million in acquisitions completed in 2013, Allied exceeded its targets for the year. As expected, most of the acquisitions were immediately accretive to FFO and AFFO per unit. They were also heavily weighted in Western Canada, continuing the ongoing improvement in Allied's geographic diversification.

Allied's value-creation activity progressed well in 2013. Having completed one upgrade project and five redevelopment projects over the course of the year, Allied now has two upgrade projects and three redevelopment projects scheduled for completion in 2014. Allied also has 11 intensification projects underway, two of which are Properties Under Development and the remaining nine of which are rental properties going through the municipal approval or pre-development process. At the end of 2013, Allied's Properties Under Development represented 4% of the fair value of its portfolio.

Allied recently announced a major lease transaction at The Breithaupt Block in Kitchener for 185,000 square feet and another at QRC West, Phase I, in Toronto for 70,000 square feet. "These long-term commitments to our development portfolio bode well for our value-creation activity going forward," said Mr. Emory.

Allied's balance sheet continued to grow and strengthen in 2013. At the end of the year, the fair value of its assets was $3.4 billion, up 16% from the end of 2012 through a combination of acquisitions ($182 million) and value appreciation ($285 million), offset somewhat by dispositions ($7 million). Allied's total debt was 36% of fair value and comprised entirely of first mortgages with a weighted average term of six years and a weighted average interest rate of 4.8% Its immediate liquidity was $133 million, and it had approximately $400 million in unencumbered properties, affording it very considerable near-term liquidity.

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 consolidated financial statements for the year ended December 31, 2013. 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.

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