ALLIED

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES FOURTH-QUARTER AND ANNUAL RESULTS FOR 2012

TORONTO, MARCH 5, 2013

Allied Properties REIT (TSX:AP.UN) today announced results for its fourth quarter and fiscal year ended December 31, 2012. "We took advantage of a very supportive environment in 2012 to make our business better and stronger in every material respect," said Michael Emory, President and CEO. "Our performance measures reached new heights, and our balance sheet continued to grow and strengthen."

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

(In thousands except for per unit and % amounts)	Q4 2012	Q4 2011	CHANGE	% CHANGE
Net income	25,524	19,073	6,451	33.8%
Same-asset NOI	32,560	30,688	1,872	6.1%
Funds from operations ("FFO")	28,020	20,706	7,314	35.3%
FFO per unit (diluted)	$0.45	$0.40	$0.05	12.5%
FFO pay-out ratio	73.2%	81.9%	(8.7%)	
Adjusted FFO ("AFFO")	23,430	16,594	6,836	41.2%
AFFO per unit (diluted)	$0.38	$0.33	$0.05	15.2%
AFFO pay-out ratio	87.5%	102.1%	(14.6%)	
Total debt as a % of fair value of investment properties	36.4%	44.8%	(8.4%)	
Net debt as a multiple of annualized Q4 EBITDA	6.3:1	6.3:1	-	
Interest as a multiple of EBITDA	4.2:1	3.2:1	1:1	

The results for the fiscal year ended December 31, 2012, are summarized and compared to the same period in 2011:

(In thousands except for per unit and % amounts)	2012	2011	CHANGE	% CHANGE
Net income	93,325	59,949	33,376	55.7%
Same-asset NOI	106,078	92,422	13,656	14.8%
Funds from operations ("FFO")	102,152	66,091	36,061	54.6%
FFO per unit (diluted)	$1.79	$1.39	$0.40	28.8%
FFO pay-out ratio	73.8%	95.2%	(21.4%)	
Adjusted FFO ("AFFO")	81,707	51,083	30,624	59.9%
AFFO per unit (diluted)	$1.43	$1.07	$0.36	33.6%
AFFO pay-out ratio	92.3%	123.2%	(30.9%)	
Total debt as a % of fair value of investment properties	36.4%	44.8%	(8.4%)	
Net debt as a multiple of annualized Q4 EBITDA	6.3:1	6.3:1	-	
Interest as a multiple of EBITDA	3.6:1	2.9:1	0.7:1	

Allied's financial performance measures for the fourth quarter and fiscal year were up significantly from the comparable periods in 2011, reflecting increased occupancy, portfolio-wide rental growth and accretion from recent acquisitions.

Having leased over 1.7 million square feet of space in 2012, Allied finished the year with its rental portfolio 92.2% leased, 94.2% leased if upgrade properties are excluded. Allied renewed or replaced 81.3% of its leases maturing in 2012, resulting in an overall increase of 8.3% in net rental income per square foot from the affected space.

With over $400 million in acquisitions announced and completed in 2012, Allied finished the year well ahead of its annual target. As expected, the acquisitions were evenly spread over Allied's three operating regions and 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 2012, with the acquisition of redevelopment projects in Calgary and Montreal 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 telecom 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.

Allied's balance sheet continued to grow and strengthen in 2012. At year-end, the fair value of its assets was nearly $3 billion, up 41% from the beginning of the year through a combination of acquisitions ($517 million) and value appreciation ($369 million), offset somewhat by dispositions ($32 million). Its weighted-average mortgage term was five years, its weighted-average interest rate 5.0%, its total debt as a percentage of fair value 36.4% and its net debt as a multiple of its annualized Q4 EBITDA 6.3:1 This was reflected in an interest-coverage ratio of 4.2:1 in the fourth quarter.

"We expect our FFO and AFFO per unit to continue to grow, and we expect the demand for space across our target markets to remain strong," said Mr. Emory, summarizing Allied's outlook for 2013. "We intend to continue the consolidation of ownership in our target markets, but with a more exclusive focus than last year on the acquisition of stabilized properties. We also intend to focus on the execution of our value-creation opportunities as part of our ongoing effort to build a value-creation pipeline that in time will make a recurring, annual contribution to the growth of our business."

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 consolidated financial statements for the quarter and fiscal year ended December 31, 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.

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