ALLIED

ALLIED PROPERTIES REIT ANNOUNCES STRONG FIRST-QUARTER RESULTS

TORONTO, MAY 7, 2013

Allied Properties REIT (TSX:AP.UN) today announced results for its first quarter ended March 31, 2013. "Our momentum continued into and through the first quarter," said Michael Emory, President and CEO. "The environment remained supportive, and our operating and financial performance measures continued to strengthen."

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

(In thousands except for per unit and % amounts)	Q1 2013	Q1 2012	CHANGE	% CHANGE
Net income	26,849	21,919	4,930	22.5%
Same-asset net operating income ("NOI")	33,889	31,373	2,516	8.0%
Funds from operations ("FFO")	29,582	22,931	6,651	29.0%
FFO per unit (diluted)	$0.45	$0.44	$0.01	2.3%
FFO pay-out ratio	75.2%	74.6%	0.6%	
Adjusted FFO ("AFFO")	23,948	18,439	5,509	29.9%
AFFO per unit (diluted)	$0.36	$0.35	$0.01	2.9%
AFFO pay-out ratio	92.9%	92.7%	0.2%	
Total debt as a % of fair value of investment properties	34.6%	44.5%	(9.9%)	
Net debt as a multiple of annualized Q1 EBITDA	6.2:1	7.1:1	(0.9:1)	
Interest-coverage ratio	4.2:1	3.3:1	0.9:1	

Allied's financial performance measures for the first quarter were up from the comparable quarter in 2012, despite a very significant reduction in its debt ratios quarter-over-quarter. This is a result of increased occupancy, portfolio-wide rental growth and accretion from recent acquisitions.

Having leased over 800,000 square feet of space in the first quarter, Allied finished the quarter with its rental portfolio 92.8% leased, 94.7% leased if upgrade properties are excluded. Allied renewed or replaced leases for 94.1% of the GLA that matured in the first quarter and leases for 49.6% of the GLA that matures over the course of 2013. This resulted in an overall increase of 6.6% in net rental income per square foot from the affected space.

With $146 million in acquisitions announced and completed thus far in the year, Allied is on pace to exceed its initial target substantially. As expected, the vast majority of acquisitions completed this year are immediately accretive to FFO and AFFO per unit. They are also heavily weighted in Western Canada, continuing the ongoing improvement in Allied's geographic diversification.

Allied's value-creation activity is progressing well. It has three upgrade projects underway, one of which is scheduled for completion this year and the remaining two next year. It has eight redevelopment projects underway, five of which are scheduled for completion this year and the remaining three next year.

Allied also has ten intensification projects underway, two of which are Properties Under Development and the remaining eight of which are rental properties going through the municipal approval or pre-development process. QRC West, Phase I, is Allied's first large-scale intensification project. It is scheduled for completion in early 2015. Allied's second large-scale intensification project is a joint-venture with RioCan and Diamond and involves the construction of a landmark office-retail building on 410 Front Street West in Toronto.

Allied's balance sheet continued to grow and strengthen in the first quarter. At the end of the quarter, the fair value of its assets was $3.1 billion, up $815 million from the comparable quarter last year through a combination of acquisitions ($522 million) and value appreciation ($318 million), offset somewhat by dispositions ($25 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 34.6% and its net debt as a multiple of its annualized Q1 EBITDA 6.2:1. This was reflected in an interest-coverage ratio of 4.2:1 in the 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 condensed interim consolidated financial statements for the quarter ended March 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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