



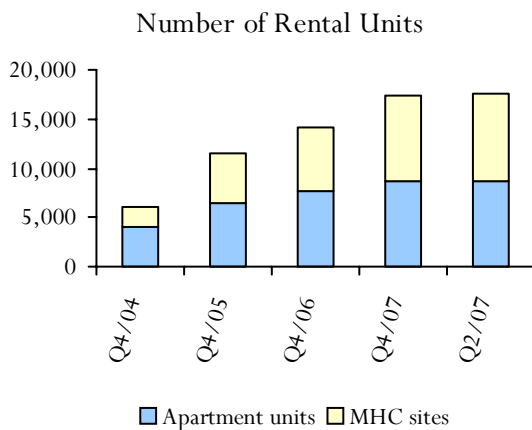
Company Profile

Killam Properties Inc. is one of Canada’s largest residential landlords, owning and operating 117 apartment properties and 55 manufactured home communities (MHCs).

Since its first real estate acquisition in 2002, Killam has grown by consolidating Atlantic Canada’s urban apartment market and the Canadian MHC market. Consolidation continued in 2007 with \$125 million in acquisitions, increasing capital assets by 24%. Killam is focused on maximizing organic growth by increasing net operating income, adding new MHC homes to existing communities and selling surplus land.

Over the last six years Killam has built an established portfolio of properties and a strong operating platform. Management is committed to building on this foundation; maximizing the return on Killam’s assets, and continuing to grow geographically with accretive acquisitions in Canada.

Focused on Growth



MHCs Represent 27% of Killam’s Capital Asset Base

In addition to apartments, the consolidation and management of MHCs have been identified as offering value enhancing opportunities. Key characteristics of MHCs include:

- Highly fragmented ownership across Canada
- Low profile asset class
- Occupancy levels of approximately 99%
- High barriers to entry due to restrictive zoning
- Expansion opportunities, including new home sale revenue

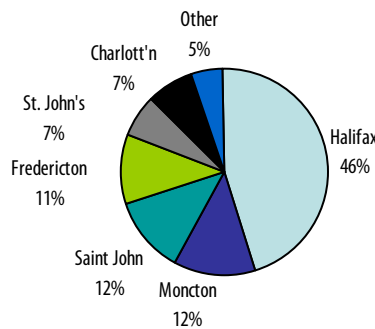
Killam owns the land for each of its MHCs and may also own the water, sewer and road systems. Tenants own their own homes and pay a monthly rental fee for the land and access to utility services. The average monthly fee for Killam’s MHC sites is approximately \$218.

80% of Units are in Atlantic Canada

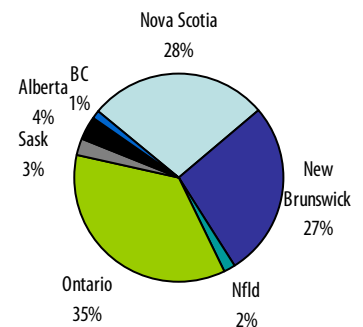
Killam’s apartment assets are located in Atlantic Canada’s biggest cities. Atlantic Canada is home to 2.3 million people, and includes 85,000 multi-residential apartment units, as surveyed by CMHC.

Halifax, representing 46% of Killam’s apartment portfolio, is a vibrant city with a growing population of close to 400,000. The majority of Killam’s core markets have been experiencing economic growth and decreasing unemployment rates. Killam is the largest landlord in Atlantic Canada with a market share of 12% in its major markets.

Apartment Units by City

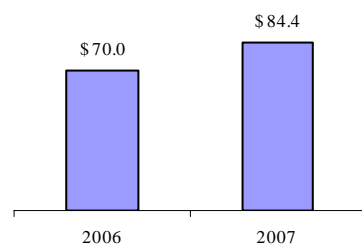


MHC Sites by Province

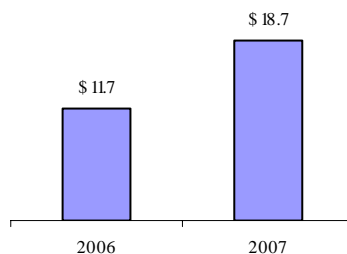


Financial Results Reflect Killam's Significant Growth

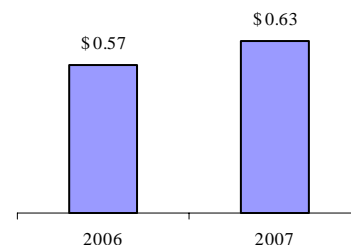
Operating Revenue (millions)



Normalized* Funds From Operations (millions)



Normalized* Funds From Operations Per Share



Funds from operations (FFO) is a key financial measurement for management, calculated as net income or loss plus amortization, stock compensation, non-cash debenture interest and future income taxes. *2006 FFO results are normalized to exclude gain on land sale and loss on debt settlement.

2007 Highlights

- Increased normalized year-over-year FFO by \$6.8 million, a 10.5% increase in normalized FFO per share
- Increased same store net operating income by 5.1%
- Reduced total debt to gross book value of assets to 66.7% from 75.8%
- Initiated annualized dividend of \$0.56 per share, paid monthly
- Completed \$125 in acquisitions, increasing total unit count by 23.6%
- Continued to add geographic diversification to the portfolio with \$32 million in acquisitions outside of Atlantic Canada
- Expanded the manufactured home sales segment with the completion of 45 new home sales

2008 Goals and Objectives

- Complete \$50 million to \$60 million of accretive acquisitions (revised from \$75 million to \$100 million)
- Invest in apartments outside of Atlantic Canada
- Grow same store NOI by 1% to 2% (revised from 3% to 4% due to increased heating costs realized in Q2, 2008)
- Complete 75 to 100 manufactured home sales
- Maintain debt levels of between 65% and 70% of the gross book value of assets

Share Information

Killam common shares are listed on the TSX under the ticker KMP. As of June 30, 2008 there were 33.6 million common shares outstanding. The market capitalization is approximately \$230 million. The annualized dividend is \$0.56 per share.

Killam convertible debentures are listed under the ticker KMP.DP. The principle amount of the 6.5% convertible debentures are \$42.2 million and mature in May of 2012.

Analyst Coverage

Beacon Securities <i>Michael Mills</i>	Genuity <i>Mark Rothschild</i>
Canaccord Adams <i>Jonathan Kelcher</i>	M Partners <i>Michael Krestell</i>
CIBC World Markets <i>Alex Avery</i>	National Bank <i>Jimmy Khing Shan</i>
Desjardins Securities <i>Jeffrey Roberts</i>	Scotia Capital <i>Mario Saric</i>
Dundee Securities <i>Brad Cutsey</i>	RBC Capital Markets <i>Neil Downey</i>

Corporate Officers

George Reti *Chairman*

Philip Fraser *President and CEO*

Robert Richardson *Executive Vice President & CFO*

To learn more about Killam Properties Inc. please visit the Company's website at www.killamproperties.com or contact Dale Noseworthy, Director of Investor Relations at (902) 442-0388 or dnoseworthy@killamproperties.com.