



FOR IMMEDIATE RELEASE

MARCH 14, 2012

ARTIS RELEASES FOURTH QUARTER AND 2011 RESULTS; FFO PER UNIT INCREASES 32% IN Q4-11 OVER Q4-10 AND 20% YEAR OVER YEAR

Today Artis Real Estate Investment Trust ("Artis" or "the REIT") issued its financial results and achievements for the three month and twelve month periods ended December 31, 2011.

2011 ANNUAL HIGHLIGHTS

- ◆ Reached gross book value of assets of \$3.2 billion at December 31, 2011.
- ◆ Acquired a total of 32 commercial properties in 2011 for \$678.0 million. Portfolio increased to 163 income-producing properties comprising approximately 17.0 million square feet of leasable area at December 31, 2011.
- ◆ Raised \$169.1 million of equity pursuant to prospectus offerings of new units at an average unit price of \$13.96.
- ◆ Raised US\$88.0 million pursuant to an offering of 7-year Series G convertible debentures bearing interest at a rate of 5.75% per annum.
- ◆ Increased Q4-11 revenues by 48.3% to \$82.9 million compared to Q4-10; increased year-over-year revenue by 65.9% to \$290.5 million.
- ◆ Increased Q4-11 Property NOI by 50.4% to \$52.2 million compared to Q4-10; increased year-over-year Property NOI by 61.7% to \$182.8 million.
- ◆ Increased Q4-11 Same Property NOI by 2.6% compared to Q4-10; increased year-over-year Same Property NOI by 1.9%.
- ◆ Increased Q4-11 FFO by 51.4% to \$28.7 million compared to Q4-10; increased year-over-year FFO by 70.7% to \$100.0 million.
- ◆ Increased Q4-11 FFO per unit by 32% to \$0.33 per unit compared to Q4-10; increased year-over-year FFO per unit by 19.8% to \$1.21 per unit.
- ◆ Reported Mortgage debt to gross book value ("GBV") of 50.7% at December 31, 2011, compared to 52.6% at December 31, 2010.
- ◆ Reported Interest coverage ratio of 2.21 for the year ended December 31, 2011 (compared to 2.25 for the year ended December 31, 2010).
- ◆ Reported portfolio occupancy of 95.1% (96.1% including committed space) at December 31, 2011, compared to 96.0% at December 31, 2010.
- ◆ Completed internalization of asset management and property management effective January 1, 2012.
- ◆ Continued to meet the prescribed conditions for status as a tax-exempt Canadian real estate investment trust.

"With \$678 Million of quality, accretive acquisitions, 2011 has been another milestone year for Artis," said Armin Martens, CEO of Artis REIT. "Both our debt to GBV and FFO payout ratio have improved year-over-year. The weighted-average age of our portfolio has come down by four years, and the weighted-average lease term has increased by a year. Our unit price has recently moved up from the \$13 to the \$16 range driving our market cap up to over \$1.5 Billion, and enterprise value up to over \$3 Billion. We are grateful for the confidence our investors have placed in us and will work hard to produce even better results for Artis Unitholders in 2012."

SELECTED FINANCIAL INFORMATION

<i>000's, except per unit amounts</i>	Three month period ended		Year ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Revenue	\$ 82,940	\$ 55,924	\$ 290,512	\$ 175,075
Property NOI	\$ 52,161	\$ 34,671	\$ 182,813	\$ 113,043
FFO ⁽¹⁾	\$ 28,675	\$ 18,935	\$ 99,955	\$ 58,539
FFO per unit (diluted) ⁽¹⁾	\$ 0.33	\$ 0.25	\$ 1.21	\$ 1.01
Distributions	\$ 0.27	\$ 0.27	\$ 1.08	\$ 1.08
FFO payout ratio	81.8%	108.0%	89.3%	106.9%

(1) After adjustments for convertible debentures financing costs, termination fee included in transaction costs, current tax expense, and loss on equity securities.

<i>\$000's</i>	December 31, 2011	December 31, 2010
Total assets	\$ 3,167,588	\$ 2,211,596
GBV	\$ 3,167,941	\$ 2,211,829
Mortgages, loans and bank indebtedness	\$ 1,605,299	\$ 1,164,092
Debt to GBV	50.7%	52.6%

Portfolio Acquisition and Disposition Activity

During 2011, Artis acquired 32 properties, as follows:

Property	Location	Asset Class	Leasable Area (in square feet)	Acquisition Date
ADT Building	Calgary, AB	Industrial	30,932	January 7, 2011
Dominion Construction Building	Calgary, AB	Industrial	17,187	January 7, 2011
EMC Building	Edmonton, AB	Office	28,520	February 28, 2011
Stinson Office Park	Minneapolis, MN	Office	307,045	March 31, 2011
Minneapolis Industrial Portfolio ⁽¹⁾	Minneapolis, MN	Industrial	1,508,193	March 31, 2011
Cara Foods Building ⁽²⁾	Vaughan, ON	Office	50,199	April 15, 2011
3M Distribution Facility	Toronto, ON	Industrial	318,805	April 29, 2011
1165 Kenaston	Ottawa, ON	Office	180,689	May 27, 2011
Victoria Square Shopping Centre	Regina, SK	Retail	290,627	May 31, 2011
Ryan Retail Portfolio ⁽³⁾	Minneapolis, MN	Retail	110,333	May 31, 2011
605 Waterford Park	Minneapolis, MN	Office	204,417	June 1, 2011
McGillivray Cineplex	Winnipeg, MB	Retail	42,725	June 10, 2011
415 Yonge Street	Toronto, ON	Office	191,880	June 28, 2011
Union Hills Office Plaza	Phoenix, AZ	Office	142,773	June 30, 2011
201 Westcreek Boulevard	Toronto, ON	Industrial	301,113	June 30, 2011
Plymouth Corporate Campus	Minneapolis, MN	Industrial	83,617	July 6, 2011
Stampede Station	Calgary, AB	Office	162,502	July 26, 2011
MTS Place	Winnipeg, MB	Office	274,712	August 31, 2011
7499 East Paradise Lane	Phoenix, AZ	Industrial	98,555	September 15, 2011
Two MarketPointe	Minneapolis, MN	Office	249,111	December 22, 2011

⁽¹⁾ The Minneapolis Industrial Portfolio represents the closing of the second nine properties.

⁽²⁾ Artis acquired a 50% interest in this property, which is proportionately consolidated in the accounts of the REIT.

⁽³⁾ The Ryan Retail Portfolio includes four retail properties comprising 110,333 square feet of leasable area and a 389,529 square foot land lease to Home Depot.

Artis acquired these commercial properties in Canada and the United States (the "U.S.") for aggregate purchase prices of \$420.8 million and US\$257.2 million, which represented a weighted-average capitalization rate of 7.31%. The purchase prices were settled with cash on hand and from the proceeds of new or assumed mortgage financing aggregating \$237.5 million and US\$189.6 million. 41.9% of the financings are floating rate mortgages. The weighted-average interest rate on the mortgages is equivalent to an annual rate of 3.87% and the average term to maturity is 5.28 years.

During 2011, the REIT sold a Winnipeg industrial property and a Minneapolis industrial property. The aggregate proceeds from the sale of these properties, net of costs and related debt, was \$8,146. The aggregate gain recorded on the sales was \$736.

Liquidity and Capital Resources

At December 31, 2011, Artis had \$94.1 million of cash and cash equivalents on hand and \$22.1 million available on the revolving term credit facility.

At December 31, 2011, the ratio of mortgages, loans and bank indebtedness to GBV was 51.4%, compared to 52.6% at December 31, 2010. The ratio is well within the 70.0% limit set out in the REIT's Amended and Restated Declaration of Trust. Including the convertible debentures, the ratio is 58.1% at December 31, 2011, compared to 59.6% at December 31, 2010.

Liquidity and capital resources will be impacted by financings, portfolio acquisition activities, and debt repayments occurring subsequent to December 31, 2011.

Operational Improvements and Internal Growth

Portfolio occupancy at December 31, 2011 remained strong at 95.1% (96.1% including commitments on vacant space). Occupancy was 95.7% at September 30, 2011, and 96.0% at December 31, 2010. Occupancy was 95.1% at December 31, 2011 compared to 95.7% at September 30, 2011 and 96.0% at December 31, 2010. Overall portfolio occupancy decreased 0.4% as a result of the December 2011 expiration of a lease for 69,638 square single tenant industrial property in Vancouver, B.C. The remaining decrease in occupancy compared to September 30, 2011 and December 31, 2010 results is attributable to occupancy rates in the newly acquired properties being lower, on average, than in the same property portfolio. Excluding the 69,638 square foot industrial property vacancy, year-over-year same property occupancy would have increased from 96.3% at December 31, 2010 to 96.6% at December 31, 2011.

Excluding GAAP adjustments for straight-line rent and above- and below-market rent adjustments, Same Property NOI results for Q4-11 increased 2.6% over Q4-10 results and year-to-date Same Property NOI increased 1.9% over 2010 results.

In Q4-11, Artis leased or renewed 768,000 square feet of leasable area at a weighted-average rate of \$11.66, realizing a weighted-average rate decrease of 4.8%. The weighted-average rate increase on renewals only in Q4-11 was 2.7%. Year-to-date, the weighted-average growth rate on leasing activity was flat and the rate increase on renewals only was 4.7%. Tenant retention in 2011 was 78.2%.

Considering all properties owned at December 31, 2011, 9.3% of the portfolio's leasable area is set to expire in 2012 and 12.1% in 2013. As of today's date, 56.2% of the 2012 and 26.8% of the 2013 leasing programs have been completed. A weighted-average rental increase of 2.7% has been achieved on renewals.

Artis' management reviews the current market rents across its portfolio on an on-going basis. Management estimates that the weighted-average in-place rents for leases expiring in 2012 and 2013 are approximately at market. Across the portfolio, in-place rents at expiry are estimated to be 4.3% below today's market.

Portfolio Leasing and Tenant Profile

Considering all properties owned at December 31, 2011, Artis' portfolio includes over 1787 tenant leases with a weighted-average term to maturity of 5.6 years. Approximately 63.8% of the REIT's GLA is occupied by national or government tenants. The top twenty non-government tenants account for 23.6% of the portfolio's gross revenues at December 31, 2011, with a weighted-average lease term to maturity of 7.9 years. The largest single tenant in the portfolio accounts for 2.7% of gross revenues.

Upcoming Webcast and Conference Call:

Interested parties are invited to participate in a conference call with management the following day: Thursday, March 15, 2012 at 12:00 p.m. CST (1:00 p.m. EST). In order to participate, please dial 1-416-340-8530 or 1-877-240-9772. You will be required to identify yourself and the organization on whose behalf you are participating.

Alternatively, you may access the simultaneous webcast by following the link from our website at http://www.artisreit.com/areit_investor.php. Prior to the webcast, you may follow the link to confirm you have the right software and system requirements.

If you cannot participate on March 15, 2012, a replay of the conference call will be available by dialing 1-905-694-9451 or 1-800-408-3053 and entering passcode #4805287. The replay will be available until March 29, 2012. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

Artis is a diversified Canadian real estate investment trust investing in office, industrial and retail properties. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial properties in Canada and the United States, with a major focus on Western Canada. Artis' commercial property comprises nearly 17.3 million square feet of leasable area in 166 properties. Leasable area by asset class is approximately 21.3% retail, 37.6% office and 41.1% industrial. The portfolio is located 9.3% in British Columbia, 29.2% in Alberta, 5.8% in Saskatchewan, 20.1% in Manitoba, 11.5% in Ontario and 24.1% in the U.S.

Non-GAAP Performance Measures

Property NOI and FFO are non GAAP measures commonly used by Canadian income trusts as an indicator of financial performance. Management uses Property NOI and FFO to analyze operating performance. Property NOI and FFO may not be comparable to similar measures presented by other issuers. Property NOI and FFO are not intended to represent operating profits for the period or from a property nor should any such measure be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP.

Cautionary Statements

The comments and highlights herein should be read in conjunction with the consolidated financial statements and management's discussion and analysis for the same period. These documents are available on the SEDAR website at www.sedar.com. They are also posted on the Artis web site at www.artisreit.com.

This press release contains forward looking statements. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward looking statements. Without limiting the foregoing, the words "expects", "anticipates", "intends", "estimates", "projects", and similar expressions are intended to identify forward looking statements. Artis is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of the REIT to be materially different from any future results, performance or achievements expressed or implied in these forward looking statements. Artis cannot assure investors that actual results will be consistent with any forward looking statements and Artis assumes no obligation to update or revise such forward looking statements to reflect actual events or new circumstances. All forward looking statements contained in this press release are qualified by this cautionary statement.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

For further information please contact Mr. Armin Martens, President and Chief Executive Officer, Mr. Jim Green, Chief Financial Officer or Ms. Kirsty Stevens, Chief Administrative Officer of the REIT at (204) 947-1250.