

May 7, 2012

ARTIS ANNOUNCES \$100.7 MILLION EQUITY OFFERING, \$335.6 MILLION OF NEW ACQUISITIONS AND COMPLETES \$180.8 MILLION OF PREVIOUSLY ANNOUNCED ACQUISITIONS

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Artis Real Estate Investment Trust (TSX: AX.UN) (“Artis” or the “REIT”) announced today that it has entered into an agreement to sell to a syndicate of underwriters led by RBC Capital Markets, CIBC and Canaccord Genuity Corp. (the "Underwriters"), on a bought deal basis, 6.1 million trust units ("Units") at a price of \$16.50 per Unit for gross proceeds to Artis of \$100,650,000 (the “Financing”). Artis has also granted the Underwriters an option, exercisable at any time up to 48 hours prior to the closing of the Financing, to purchase a further 915,000 units at the issue price which, if fully exercised, would result in additional gross proceeds of \$15,097,500.

The Financing is being made pursuant to the REIT’s base shelf prospectus dated August 19, 2010. The terms of the offering will be described in a prospectus supplement to be filed with Canadian securities regulators. The Financing is expected to close on or about May 16, 2012 and is subject to regulatory approval.

Artis intends to use the net proceeds from the Financing to fund future acquisitions, including those outlined below, and for general trust purposes.

Artis continues to enjoy a strong deal flow pipeline, with a continued focus on the accretive acquisition of quality commercial properties, in select markets in Canada and the U.S.

New (Unconditional) Acquisitions

The [LaSalle Downtown Calgary Office Portfolio](#) is comprised of four high profile modernized office properties located in downtown Calgary, Alberta. The buildings are located in the financial core and the west side of downtown Calgary, within close proximity to downtown’s major financial and energy centre. The total portfolio comprises 483,799 square feet of leasable area and is 100% leased to a roster of strong tenants including, Canadian Spirit Resources, Newpark Resources, Grant Thornton, and SemCAMS. Current in-place rents are estimated to be 10% to 20% below market. The purchase price of \$189.3 million, representing a going-in capitalization rate of 6.7%, is expected to be financed with cash on hand, the assumption of existing 5-year mortgage financing totaling \$26.7 million and bearing interest at a rate of 3.35%, as well as from the proceeds of an anticipated new \$70.0 million 5-year mortgage bearing interest at a rate of 3.59% per annum. The acquisition is anticipated to close in Q2-12.

New (Conditional) Acquisitions under Contract

The following properties are currently under contract, where conditions have not yet been fully waived. It is expected that these acquisitions will close at the planned times, however, they are in various stages of due diligence and no assurance can be given.

The [RER Industrial Portfolio](#) is comprised of four industrial buildings located throughout Minneapolis, Minnesota and totaling 500,524 square feet of leasable area. With over 36.1 acres of land, the properties offer the potential for future development as well. The RER Industrial Portfolio is 99% occupied by a variety of national and regional tenants, including Wagner Spray Tech Corp., Caribou Coffee, and Supply Technologies. The weighted-average lease term to maturity for the portfolio is 4.4 years. The purchase price of US\$38.0 million, representing a going-in capitalization rate of 7.7%, is expected to be financed by way of US\$26.6 million of new 5-year mortgage financing bearing interest at a floating rate equivalent to 2.49% per

annum based on today's LIBOR rates, and from cash on hand. The acquisition is anticipated to close in Q2-12.

The [Westbank Hub Shopping Centre](#) is a four-building Class A retail complex comprising 179,087 square feet of leasable area. The property is located in West Kelowna, British Columbia and is part of the area's one million square foot regional retail node, which is anchored by major retail stores such as Walmart, Future Shop, and Winners. Westbank Hub Shopping Centre is strategically located along Highway 97, with exposure to over 45,000 vehicles on a daily basis. The property is 100% occupied by a strong mix of national tenants, including anchor tenants Home Depot, Canadian Tire, and Mark's Work Wearhouse. The weighted-average lease term to maturity for the property is 13.3 years. Artis is acquiring a 75% interest in this property for a purchase price of \$29.3 million, which represents a going-in capitalization rate of 6.0%. The purchase price is expected to be financed by way of the assumption of 75% of the existing mortgage financing on the property, being \$15.2 million and bearing interest at a rate of 3.75%, and from cash on hand. The acquisition is anticipated to close in Q3-12.

Artis also has entered into an agreement to acquire a US\$79.0 million LEED Certified, Class A office property in Scottsdale, Arizona. The purchase price is expected to be financed from cash and the acquisition is anticipated to close in Q2-12.

Previously Announced Acquisitions

On April 16, 2012, Artis completed the first phase of closing the previously announced additional 25% interest in the property known as [Westbank Hub Centre North](#). Artis previously owned a 50% interest in this property. The second phase of closing will take place once the developments are complete. The phase one purchase price of \$12.4 million, representing a going-in capitalization rate of 6.3%, was financed by way of an additional 25% interest in the existing mortgage financing on the property aggregating \$6.9 million and with cash on hand.

On April 23, 2012, Artis closed the previously announced acquisition of the Winnipeg Retail Property known as the [Linden Ridge Shopping Centre](#), a seven-building retail centre comprising 100,875 square feet of leasable area. The centre is located in Winnipeg's Kenaston and McGillivray power node, which features several established national retailers such as Wal-Mart, Costco, Home Depot, Rona, and Canadian Tire. The purchase price of \$32.0 million, representing a going-in capitalization rate of 7.2%, was financed with cash on hand and from the proceeds of a \$20.8 million five-year mortgage bearing interest at a rate of 3.72% per annum.

On April 30, 2012, Artis closed the previously announced acquisition of [Trimac House](#), a 238,419 square foot 23-storey Class A office building located in downtown Calgary, Alberta. The purchase price of \$100.9 million, representing a going-in capitalization rate of 6.7%, was financed with cash on hand and from the proceeds of a \$60.6 million five-year mortgage bearing interest at a rate of 3.65% per annum.

On April 30, 2012, Artis closed the previously announced acquisition of [Crowfoot Corner](#), a newly constructed four-building retail development. Crowfoot Corner is located in the Northwest Calgary retail market and comprises 50,965 square feet of leasable area. The purchase price of \$35.5 million, representing a going-in capitalization rate of 6.4%, was financed with cash on hand and from the proceeds of a \$19.5 million 5-year mortgage bearing interest at a rate of 3.25% per annum.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction. The Units being offered have not been and will not be registered under the U.S. Securities Act of 1933 and state securities laws. Accordingly, the Units may not be offered or sold to U.S. persons except pursuant to applicable exemptions from registration requirements.

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 17.8 million square feet of leasable area in 169 properties. Leasable area by asset class is approximately 22.0% retail, 37.8% office and 40.2% industrial. The portfolio is located 9.4% in British Columbia, 29.9% in Alberta, 5.6% in Saskatchewan, 20.1% in Manitoba, 11.2% in Ontario and 23.8% in the U.S.

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 at 1.204.947.1250

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

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