



FOR IMMEDIATE RELEASE

MAY 9, 2012

**ARTIS RELEASES FIRST QUARTER RESULTS; Q1-12 FFO PER UNIT
INCREASES 11% OVER Q1-11**

Today Artis Real Estate Investment Trust ("Artis" or "the REIT") issued its financial results and achievements for the three month period ended March 31, 2012. All amounts are in thousands of Canadian dollars, unless otherwise noted.

2012 FIRST QUARTER HIGHLIGHTS

- ◆ Acquired commercial properties in Q1-12 for \$113.3 million. Portfolio increased to 166 income-producing properties comprising approximately 17.38 million square feet of leasable area at March 31, 2012.
- ◆ Raised an aggregate of \$193.6 million of equity pursuant to two prospectus offerings of new units; the first offering at a price of \$15.05 per unit (closed January 26, 2012) and the second at a price of \$16.30 per unit (closed March 26, 2012 and March 30, 2012)
- ◆ Internalized the asset management and property management functions of the REIT effective January 1, 2012.
- ◆ Redeemed all outstanding Series C convertible debentures effective March 15, 2012 for \$29.9 million and repaid the full balance drawn on the line of credit of \$37.9 million.
- ◆ Reached a gross book value ("GBV") of \$3.4 billion at March 31, 2012, compared to \$3.2 billion at December 31, 2011.
- ◆ Reported mortgage debt to GBV of 47.6% at March 31, 2012, compared to 50.7% at December 31, 2011.
- ◆ Increased Q1-12 revenues by 29.8% to \$82.1 million compared to Q1-11.
- ◆ Increased Q1-12 Property NOI by 35.5% to \$52.8 million compared to Q1-11.
- ◆ Increased Q1-12 Same Property NOI by 2.0% compared to Q1-11.
- ◆ Increased Q1-12 FFO by 38.4% to \$29.9 million compared to Q1-11.
- ◆ Increased Q1-12 FFO per unit by 10.7% to \$0.31 (\$0.32 excluding the impact of non-cash unit-based compensation expense in the period) compared to Q1-11.
- ◆ Reported interest coverage ratio of 2.32 times for the quarter ended March 31, 2012, compared to 2.23 times for the quarter ended March 31, 2011.
- ◆ Reported portfolio occupancy of 95.0% (95.7% including committed space) at March 31, 2012.
- ◆ Continued to meet the prescribed conditions for status as a tax-exempt Canadian real estate investment trust.

"2012 is off to an excellent start, with two equity offerings completed within the first quarter. We deployed these proceeds into debt repayment, which strengthened our balance sheet, as well as into accretive property acquisitions," said Armin Martens, CEO of Artis. "Three acquisitions closed prior to March 31, 2012, and four transactions have closed subsequently. Year-to date, Artis has acquired commercial properties in Canada and the U.S. for purchase prices of \$216.7 million and US\$75.0 million respectively. We have announced new conditional and unconditional deals in Canada and the U.S., totaling \$218.6 million and US\$117.0 million respectively, and have an offering underway at this time for \$100.7 million of new equity. Spreads between going-in capitalization rates and available mortgage financing rates remain very healthy, which we anticipate will translate into growth in our key metrics in the near future."

SELECTED FINANCIAL INFORMATION

\$000's, except per unit amounts Unaudited	Three month period ended	
	2012	March 31, 2011
Revenue	\$ 82,132	\$ 63,258
Property NOI	\$ 52,842	\$ 39,012
Diluted FFO ⁽¹⁾	\$ 29,890	\$ 21,594
Diluted FFO per unit ⁽¹⁾	\$ 0.31	\$ 0.28
Distributions	\$ 0.27	\$ 0.27
FFO payout ratio	87.1%	96.4%

⁽¹⁾ After adjustments for transaction costs, current tax recovery, and the loss on equity securities.

\$000's	March 31, 2012	December 31, 2011
GBV	\$ 3,410,836	\$ 3,167,941
Mortgages, loans and bank indebtedness	\$ 1,624,214	\$ 1,605,299
Debt to GBV	47.6%	50.7%

Portfolio Acquisition and Disposition Activity

Acquired during the three-month period ended March 31, 2012:

Property	Location	Asset Class	Leasable Area (in square feet)	Acquisition Date
North 48 Commercial Centre	Saskatoon, SK	Office	63,571	January 31, 2012
Aluma Systems Building	Edmonton, AB	Industrial	65,000	February 24, 2012
GSA Phoenix Professional Building	Phoenix, AZ	Office	210,202	March 29, 2012

Artis acquired these commercial properties in Canada and the United States (the "U.S.") for aggregate purchase prices of \$35.9 million and US\$75.0 million, respectively, which represents a weighted-average going-in capitalization rate of 7.42%. The purchase prices were settled with cash on hand and from the proceeds of new 20-year mortgage financing aggregating US\$68.5 million bearing interest at an annual rate of 4.67%.

Acquired subsequent to March 31, 2012:

Property	Location	Asset Class	Leasable Area (in square feet)	Acquisition Date
Westbank Hub Centre North ⁽¹⁾	Westbank, BC	Retail	62,775	April 16, 2012
Linden Ridge Shopping Centre	Winnipeg, MB	Retail	100,875	April 23, 2012
Crowfoot Corner	Calgary, AB	Retail	50,965	April 30, 2012
Trimac House	Calgary, AB	Office	238,419	April 30, 2012

⁽¹⁾ Artis purchased an additional 25% interest in this property, increasing its share to 75%.

The aggregate purchase price of the acquisitions was \$180.8 million which represented a weighted-average going-in capitalization rate of 6.7%. The purchase prices were settled with cash on hand and from the proceeds of \$107.8 million of mortgage financing. The weighted average term to maturity on the mortgages is 4.8 years, and the weighted-average interest rate is 3.72%.

New Unconditional and Conditional Agreements:

Property	Location	Asset Class	Leasable Area (in square feet)	Status of Agreement
LaSalle Downtown Calgary Office Portfolio	Calgary, AB	Office	496,231	Unconditional
RER Industrial Portfolio	Minneapolis, MN	Industrial	500,524	Conditional
Westbank Hub Shopping Centre	West Kelowna, BC	Retail	179,087	Conditional
Scottsdale, AZ Office Property	Scottsdale, AZ	Office	258,312	Conditional

These Canadian and U.S. commercial properties are being acquired for purchase prices aggregating \$218.6 million and US\$117.0 million respectively. They are expected to be financed with a combination of cash on hand and new or assumed mortgage financing in an estimated aggregate of \$111.9 million and US\$26.6 million respectively. The acquisitions are anticipated to close over the course of Q2 and Q3 of 2012.

Additional information about the REIT's proposed acquisitions can be found in press releases available on the REIT's web site at www.artisreit.com.

Liquidity and Capital Resources

At March 31, 2012, Artis had \$154.5 million of cash and cash equivalents on hand and \$60.0 million available on the revolving term credit facility.

At March 31, 2012, the ratio of mortgages, loans and bank indebtedness to GBV was 47.6%, compared to 50.7% at December 31, 2011. 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 53.8% at March 31, 2012, compared to 58.1% at December 31, 2011.

Portfolio Operational and Leasing Results

Portfolio occupancy at March 31, 2012 remained strong at 95.0% (95.7% including commitments on vacant space), compared to 95.1% at December 31, 2011, and 95.3% at March 31, 2011.

Excluding GAAP adjustments for straight-line rent and amortization of tenant inducements, Same Property NOI results for Q1-12 increased 2.0% over Q1-11 results.

Considering all properties owned at March 31, 2012, 8.2% of the portfolio's leasable area is set to expire in 2012 and 11.5% in 2013. As of today's date, 70.2% of the 2012 and 26.2% of the 2013 leasing programs have been completed.

Artis' management reviews the current market rents across its portfolio on an on-going basis; across the portfolio, in-place rents at expiry are estimated to be 5.1% below today's market (2.2% below market for the leases expiring in 2012).

Tenant Profile

Considering all properties owned at March 31, 2012, Artis' portfolio includes over 1,780 tenant leases with a weighted-average term to maturity of 5.7 years. Approximately 63.7% of the REIT's GLA is occupied by national or government tenants. The top twenty non-government tenants account for 23.3% of the portfolio's gross revenues at March 31, 2012, with a weighted-average lease term to maturity of 7.6 years; none of the top-twenty tenant leases expire in 2012. 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 on Thursday, May 10, 2012 at 10:00 a.m. CST (11:00 a.m. EST). In order to participate, please dial 1-416-340-9534 or 1-888-340-9462. 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/investor-link/conference-callspresentations/>. Prior to the webcast, you may follow the link to confirm you have the right software and system requirements.

If you cannot participate on May 10, 2012, a replay of the conference call will be available by dialing 1-905-694-9451 or 1-800-408-3053 and entering passcode #9959387. The replay will be available until May 24, 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 over 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.

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.