



FOR IMMEDIATE RELEASE

SEPTEMBER 11, 2012

ARTIS ANNOUNCES INCREASE OF PREVIOUSLY ANNOUNCED OFFERING TO US\$75 MILLION OF CUMULATIVE RATE RESET PREFERRED TRUST UNITS, SERIES C AND PRICING TERMS

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Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis" or the "REIT") announced today that it has priced its previously announced marketed public offering (the "Financing") of Cumulative Rate Reset Preferred Trust Units, Series C (the "Series C Units"). Artis will issue 3.0 million Series C Units at a price of US\$25 per Series C Unit for gross proceeds to Artis of US\$75,000,000.

The Financing is being led by RBC Capital Markets, CIBC and Macquarie Capital Markets Canada Ltd. (the "Underwriters").

The Series C Units will pay fixed cumulative preferential distributions of US\$1.3125 per unit per annum, yielding 5.25% per annum, payable on the last day of March, June, September and December of each year, as and when declared by the board of trustees of Artis, for the initial approximately five and a half-year period ending March 31, 2018. The first quarterly distribution, if declared, shall be payable on December 31, 2012 and shall be US\$0.3740 per unit, based on the anticipated closing of the offering of Series C Units of September 18, 2012. The distribution rate will be reset on March 31, 2018 and every five years thereafter at a rate equal to the sum of the then five-year United States Government bond yield and 4.46%. The Series C Units are redeemable by Artis, at its option, on March 31, 2018 and on March 31 of every fifth year thereafter.

Holders of Series C Units will have the right to reclassify all or any part of their Series C Units as Cumulative Floating Rate Preferred Trust Units, Series D (the "Series D Units"), subject to certain conditions, on March 31, 2018 and on March 31 of every fifth year thereafter. Such reclassification privilege may be subject to certain tax considerations (to be disclosed in the prospectus supplement). Holders of Series D Units will be entitled to receive a floating cumulative preferential distribution, payable on the last day of March, June, September and December of each year, as and when declared by the board of trustees of Artis, at a rate equal to the sum of the then 3-month United States Government Treasury Bill yield plus a spread of 4.46%.

The Financing is being made pursuant to the REIT's base shelf prospectus dated June 15, 2012. 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 September 18, 2012 and is subject to regulatory approval.

Artis intends to use the net proceeds from the Financing to repay indebtedness, fund future acquisitions, 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.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction. The securities being offered have not been and will not be registered under the U.S. Securities Act of 1933 and state securities laws. Accordingly, the securities 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 20.5 million square feet of leasable area in 198 properties. Leasable area by asset class is approximately 20.1% retail, 36.6% office and 43.3% industrial. The portfolio is located 9.2% in British Columbia, 28.4% in Alberta, 5.4% in Saskatchewan, 17.5% in Manitoba, 15.1% in Ontario and 24.4% 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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