



ARTIS REAL ESTATE INVESTMENT TRUST

Investor Presentation Q2 - 2014



Max at Kierland, Phoenix, AZ

PROPERTIES OF SUCCESS

FORWARD-LOOKING STATEMENTS

This presentation may contain 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. All forward-looking statements in this presentation are made as of June 30, 2014.

Although the forward-looking statements contained or incorporated by reference herein are based upon what management believes to be reasonable assumptions, Artis cannot assure investors that actual results will be consistent with these 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 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 presentation are qualified by this cautionary statement.

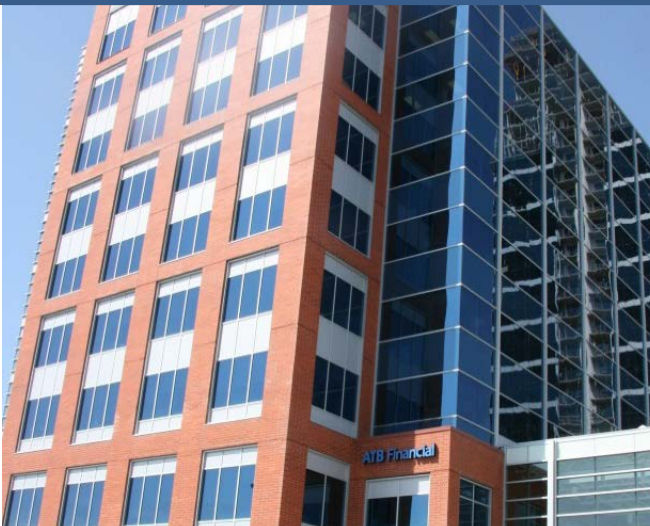
Additional information about Artis, including risks and uncertainties that could cause actual results to differ from those implied or inferred from any forward-looking statements in this presentation, are contained in our various securities filings, including our current Annual Information Form, as well as our quarterly earnings press release dated June 30, 2014 and our audited annual consolidated financial statements for the years ended December 31, 2013 and 2012 which are available on SEDAR at www.sedar.com or on our company web site at www.artisreit.com.



▲ 360 Main Street – Winnipeg, MB



▲ Two Marketpointe – Minneapolis, MN



▲ Stampede Station – Calgary, AB



▲ DirecTV Building – Denver, CO



▲ Humana Building – Phoenix, AZ

1. GEOGRAPHIC FOCUS

Canadian and select U.S. markets, with a major concentration in Western Canada

2. PRODUCT FOCUS

Commercial real estate only

- Industrial
- Office
- Retail

3. EXTERNAL GROWTH

Accretive acquisitions in our target markets

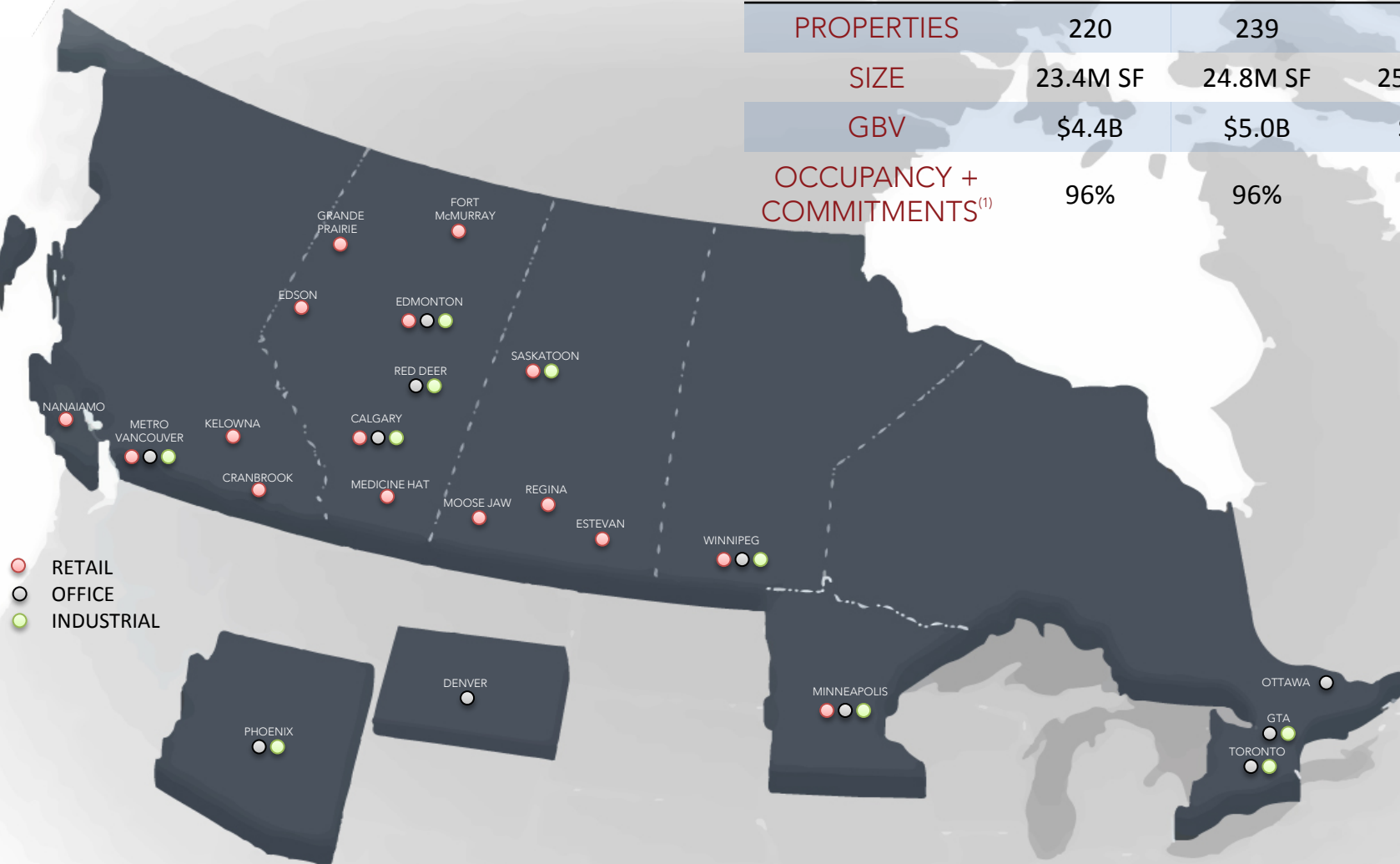
4. INTERNAL GROWTH

Results driven active asset management and new developments



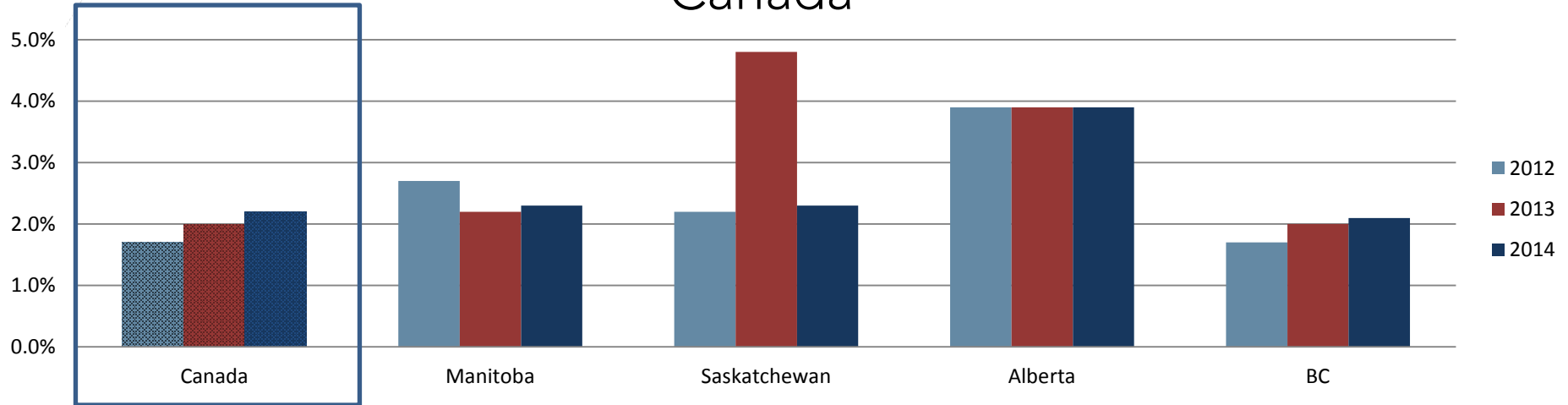
415 Yonge Street, Toronto, ON

	Dec 31, 2012	Dec 31, 2013	June 30, 2014
PROPERTIES	220	239	243
SIZE	23.4M SF	24.8M SF	25.6M SF
GBV	\$4.4B	\$5.0B	\$5.3B
OCCUPANCY + COMMITMENTS ⁽¹⁾	96%	96%	96%

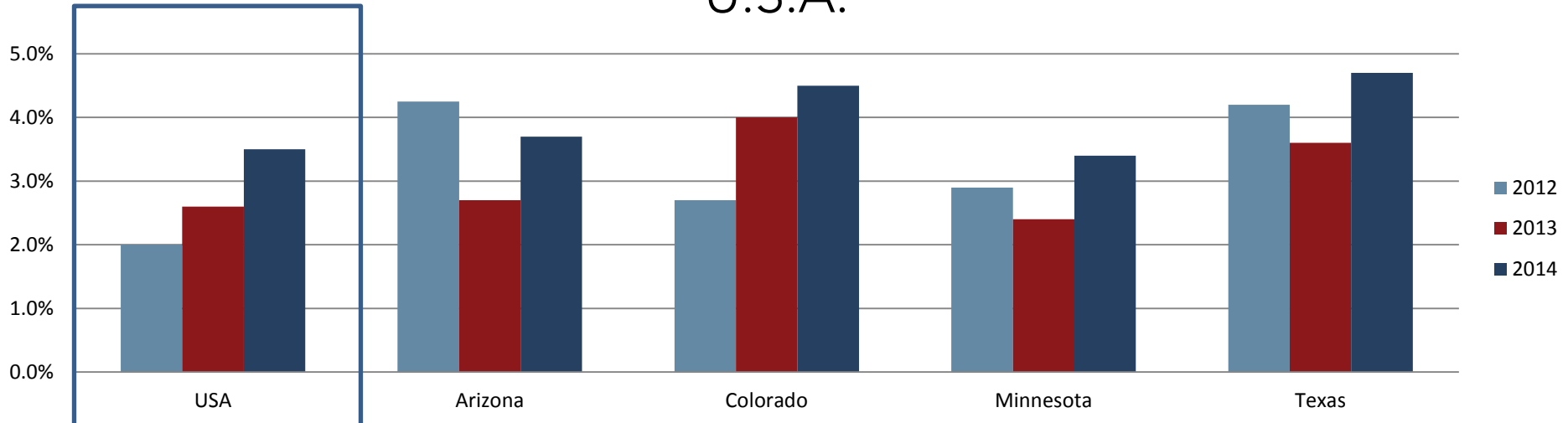


(1) Occupancy excludes properties in redevelopment.

Canada⁽¹⁾



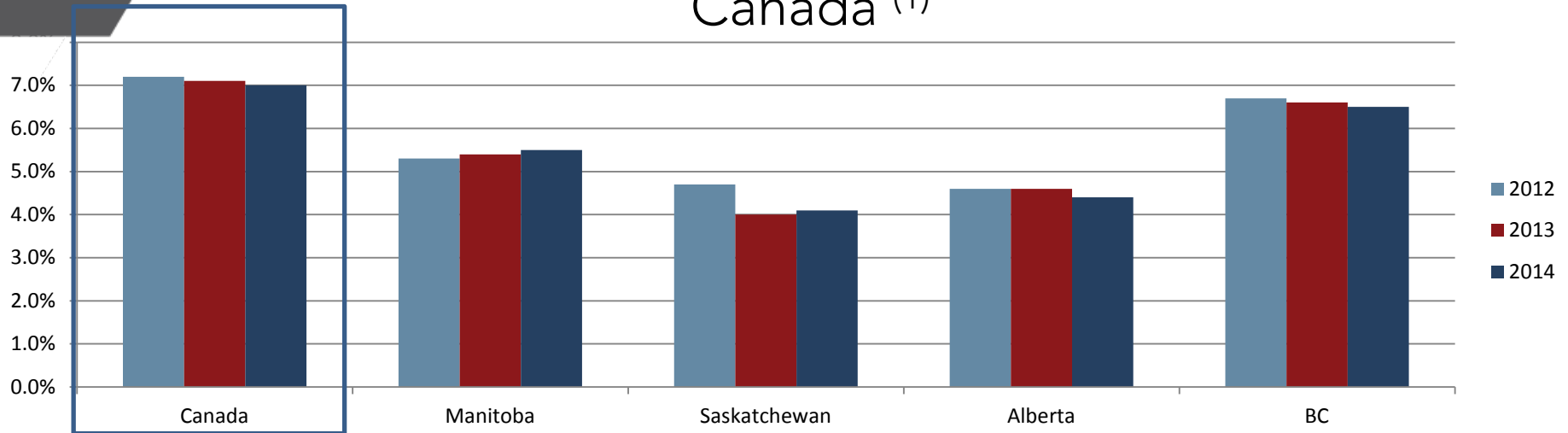
U.S.A.⁽¹⁾



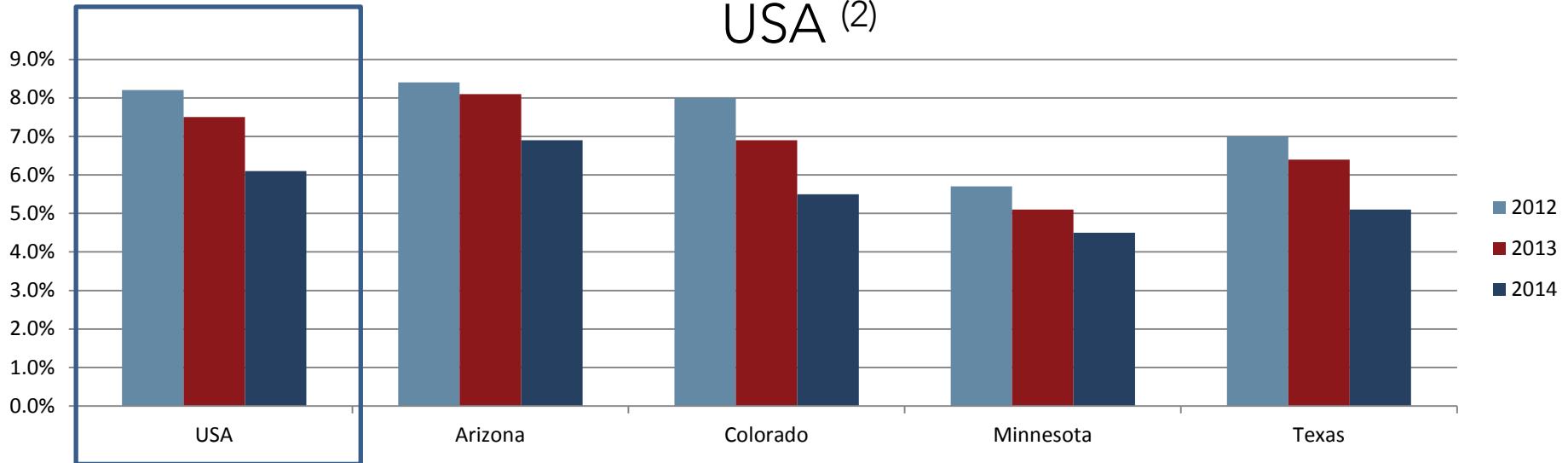
(1) Source: Scotiabank Global Forecast dated June 26, 2014

(2) Source: J.P. Morgan Chase Arizona, Colorado, and Minnesota State Economic Outlook Reports

Canada (1)



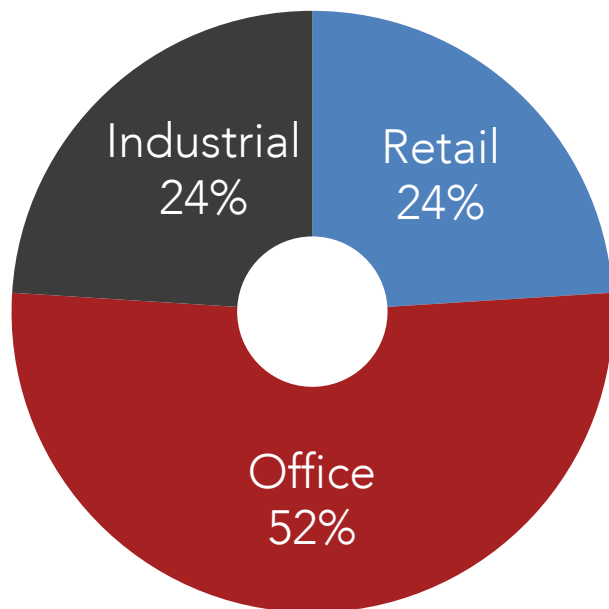
USA (2)



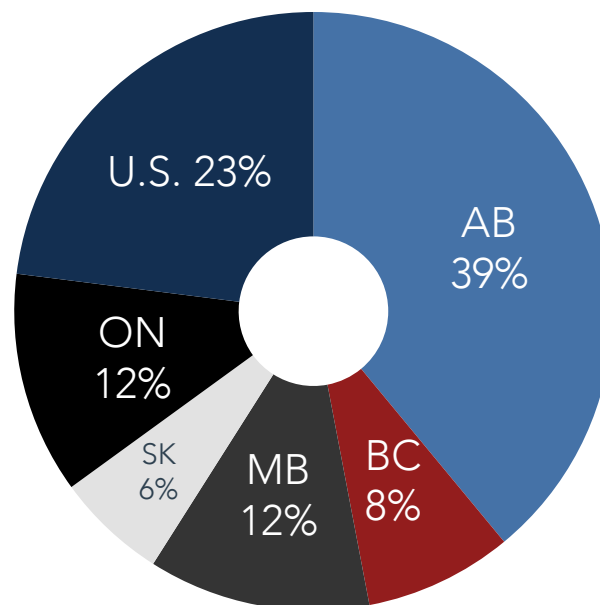
(1) Source: Scotiabank Global Forecast dated June 26, 2014

(2) Source: United States Department of Labor – Bureau of Labor Statistics, for the months of June 2012, 2013 & 2014

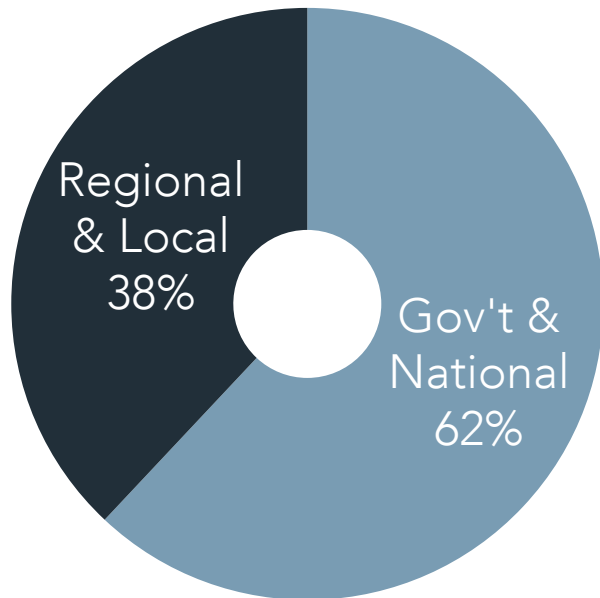
By Asset Class:



By Geographical Region:



62% OF ARTIS' TENANTS ARE
GOVERNMENT OR NATIONAL



MTS

amec

DIRECTV

TransAlta

**SHOPPERS
DRUG MART**

S

TELVENT



Stantec



IHS

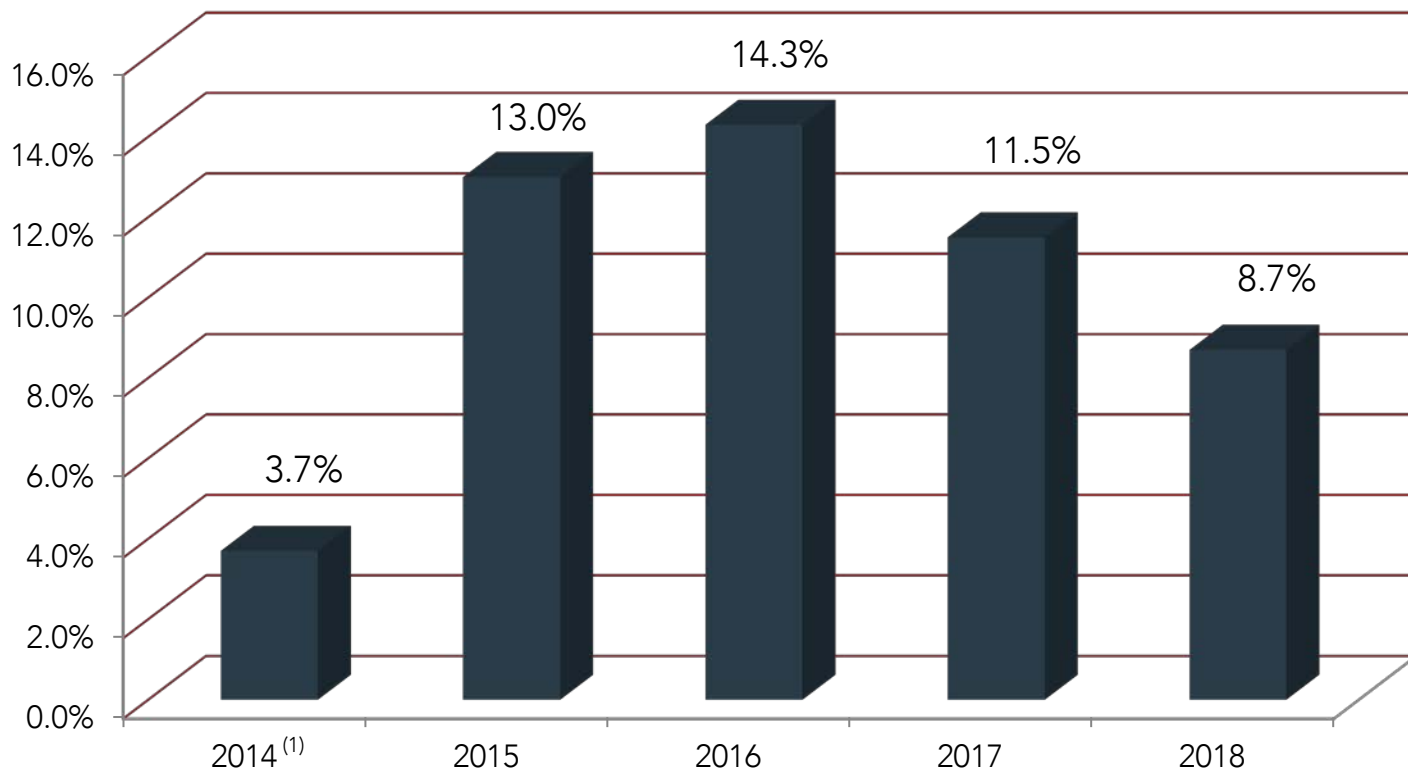
CBRE

TD

ARTIS' TOP 20 TENANTS ACCOUNT FOR
19.3% OF GROSS REVENUE AND HAVE A
7.4 YEAR WEIGHTED-AVERAGE LEASE TERM



- 2014 leasing program is 78% complete and 28% of 2015 expiries have been dealt with
- Weighted-average rental increase on renewals in Q2-14 was 2.6%.
- Q2-14 Same Property NOI growth was 3.3% over Q2-13



(1) Percentage of portfolio that expires in the remainder of 2014, not inclusive of leases that have been renewed

Schedule of Mortgage Maturities

At June 30, 2014:

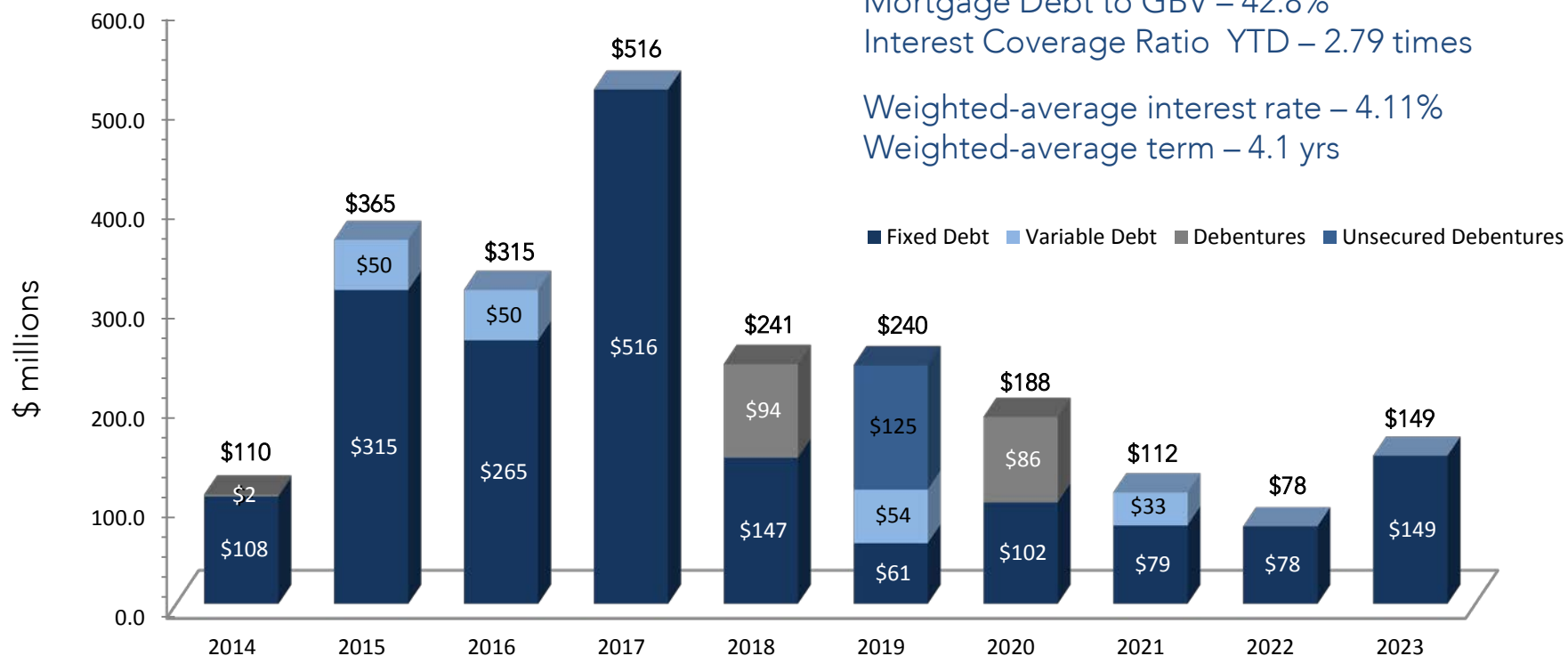
Total Debt to GBV – 48.6%

Mortgage Debt to GBV – 42.8%

Interest Coverage Ratio YTD – 2.79 times

Weighted-average interest rate – 4.11%

Weighted-average term – 4.1 yrs



Debt Maturity	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Maturity	5.00%				5.75%	3.75%	6.00%			
Variable Debt		2.92%	3.47%			2.19%		1.90%		
Fixed Debt	4.62%	4.50%	4.26%	4.26%	3.69%	4.69%	3.88%	4.13%	4.13%	3.93%

Weighted-Average Interest Rates

As at June 30, 2014 and inclusive of mortgages on joint venture arrangements. Variable debt that is covered by interest rate swaps is included in fixed debt.

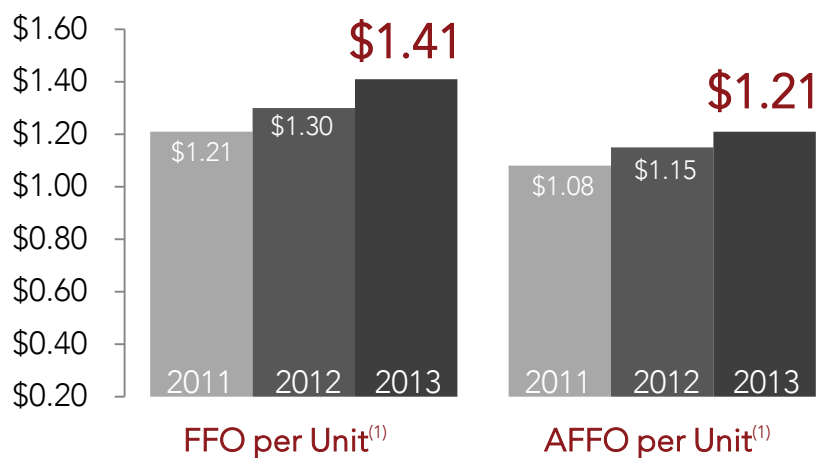
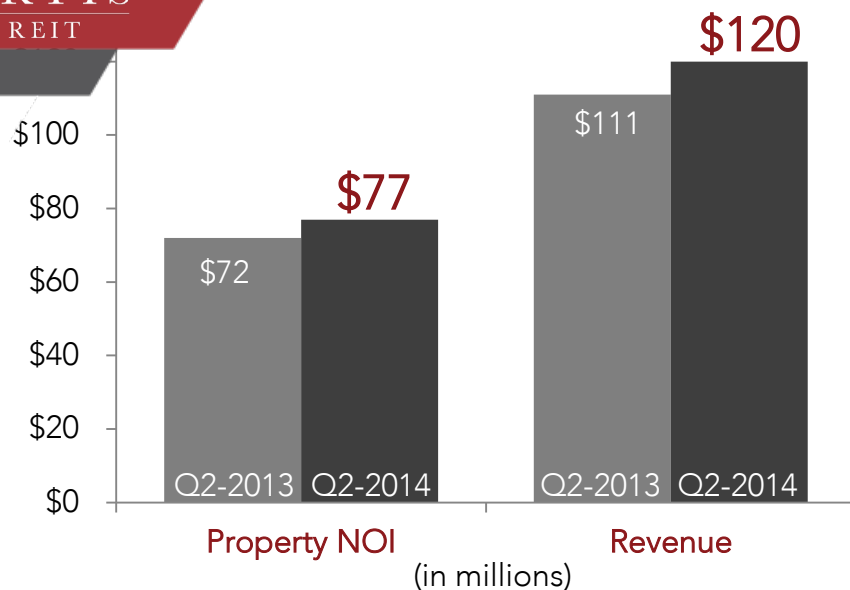
Leverage Profile for the fiscal quarter ending:

	June 30 2013	Sept 30 2013	Dec 31 2013	Mar 31 2014	June 30 2014
Debt: GBV	49.2 %	48.7 %	49.0%	50.0%	48.6%
Debt excl. debentures: GBV	45.4%	45.0%	45.4%	44.1%	42.8%
Net debt: EV	51.5%	51.8%	51.8%	49.5%	48.3%
Unencumbered assets (in 000's)	\$265,338	\$226,878	\$227,668	\$246,260	\$289,236
EBITDA interest coverage	2.84	2.99	2.85	2.91	2.83
Net Debt: EBITDA ⁽¹⁾	8.31	7.60	8.04	7.92	7.87

Liquidity at June 30, 2014:

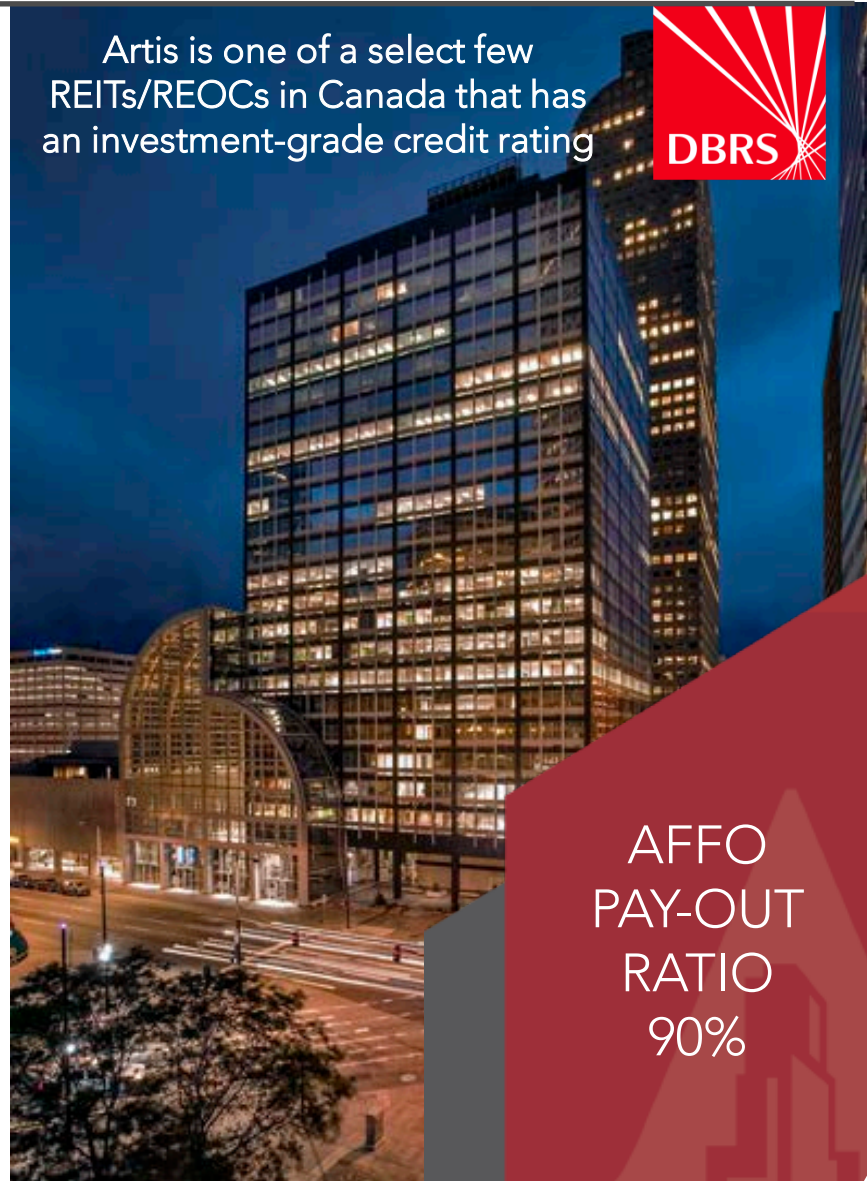
Cash and cash equivalents (in 000's)	\$122,883
Availability on credit facility	\$80,000

(1) Debt at most recent quarter divided by income on an annualized basis

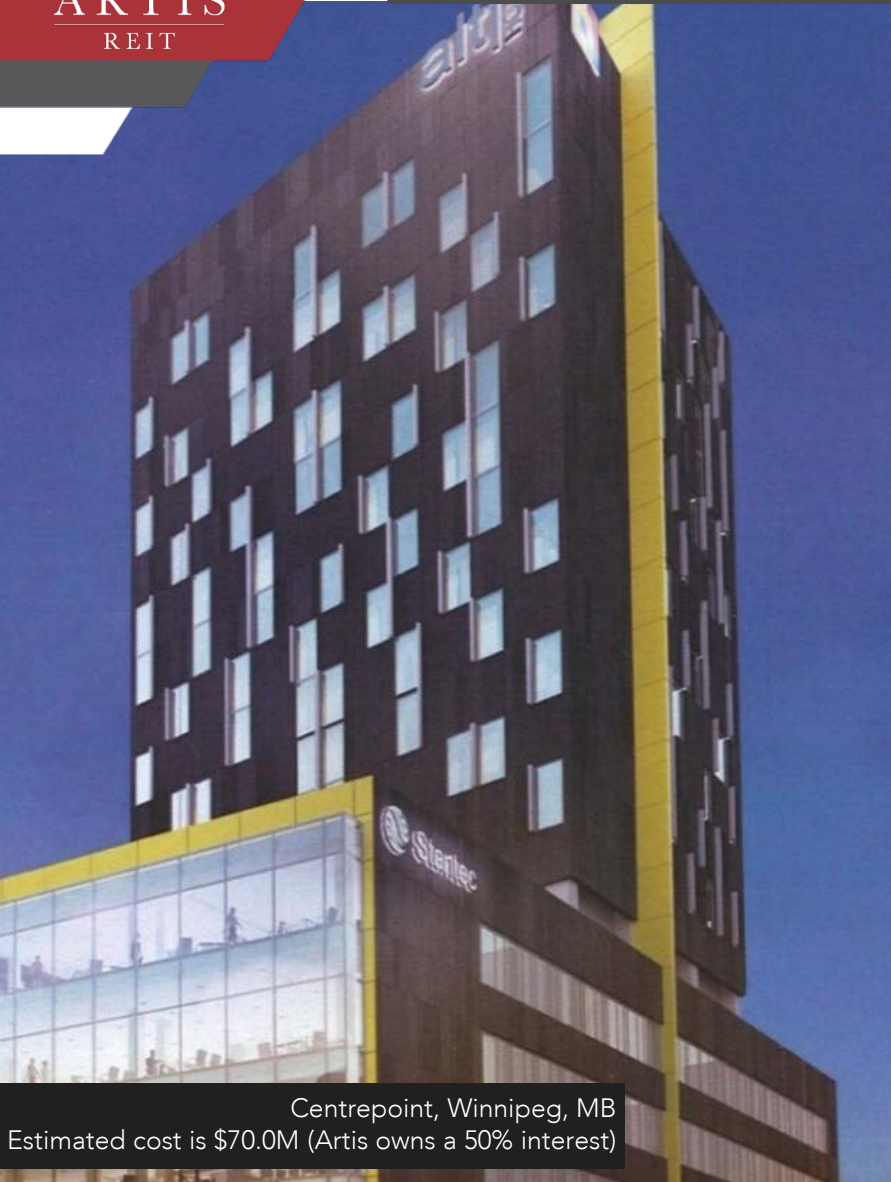


(1) Excluding lease termination income.

Artis is one of a select few REITs/REOCs in Canada that has an investment-grade credit rating



**AFFO
PAY-OUT
RATIO
90%**



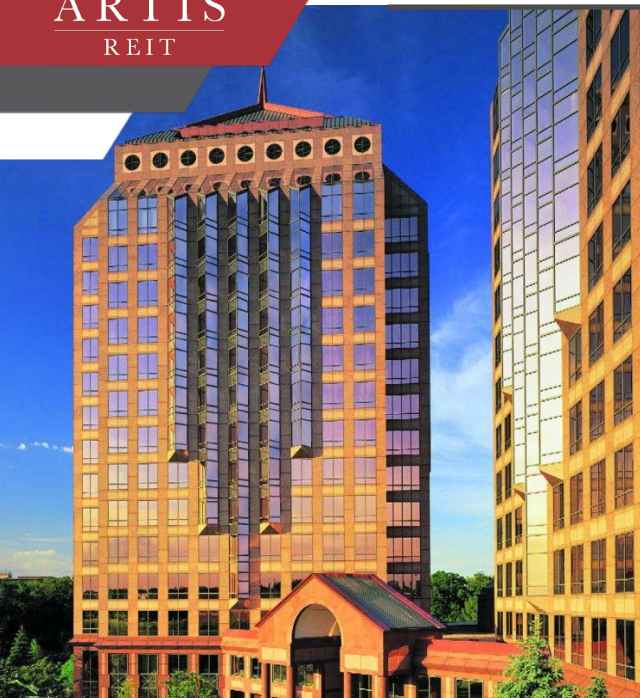
Centrepont, Winnipeg, MB
Estimated cost is \$70.0M (Artis owns a 50% interest)



Fourell Business Park, Edmonton, AB
Estimated cost for Phase 1 & 2 is \$14.0M



Linden Ridge Shopping Centre, Winnipeg, MB
Cost for this project was \$23.0M



601 Tower at Carlson, Minneapolis, MN



Hudson's Bay Centre, Denver, CO



DirecTV Building, Denver, CO



North Scottsdale Corporate Centre II, Phoenix, AZ



Crosstown VI, Minneapolis, MN

\$10.1M &
US\$104.5M
of new
acquisitions
in 2014

	December 31, 2011	December 31, 2012	December 31, 2013	June 30, 2014
Properties	163	220	239	243
GLA (SQFT)	17.0M	23.4M	24.8M	25.6M
GBV	\$3.2B	\$4.4B	\$5.0B	\$5.3B
FFOPU	\$1.21	\$1.30	\$1.41 ⁽¹⁾	\$1.43 for 2014 Consensus ⁽²⁾
Closing Unit Price	\$13.99	\$15.64	\$14.86	\$15.75
Market Cap	\$1.2B	\$1.8B	\$1.9B	\$2.1B
Enterprise Value	\$3.0B	\$4.2B	\$4.7B	\$5.1B

*Greater Diversification * TSX Index Inclusion * DBRS Institutional Quality Rating *Internalization of Property / Asset Management *Preferred Unit Offering

(1) Excluding lease termination income.

(2) Consensus analyst projections from most recent research reports. Artis does not endorse analyst projections. The above information represents the views of the particular analyst and not necessarily those of Artis. An investor should review the entire report of the analyst prior to making any investment decisions.

	2014		2015	
Consensus	FFO	AFFO	FFO	AFFO
Per Unit	\$1.43	\$1.23	\$1.49	\$1.29
Pay-Out Ratio	75.6%	87.9%	72.5%	84.0%
Yield Per Unit	9.1%	7.8%	9.5%	8.2%
Unit Price Multiple	11.0x	12.8x	10.6x	12.3x
Peer Multiple Weighted Avg. ⁽²⁾	12.5x	14.5x	12.3x	14.1x

(1) Consensus analyst projections from most recent research reports. Artis does not endorse analyst projections. The above information represents the views of the particular analyst and not necessarily those of Artis. An investor should review the entire report of the analyst prior to making any investment decisions.

(2) Weighted average multiple for diversified REITs. Source: The BMO REIT Beat dated August 11, 2014

August 7, 2014

Unit Price \$15.76

Consensus NAV \$16.50

Consensus Target Price \$17.15

Consensus Implied Cap Rate 6.7%

Distribution Per Unit \$1.08

Distribution Yield 6.9%

Market Cap \$2.1B

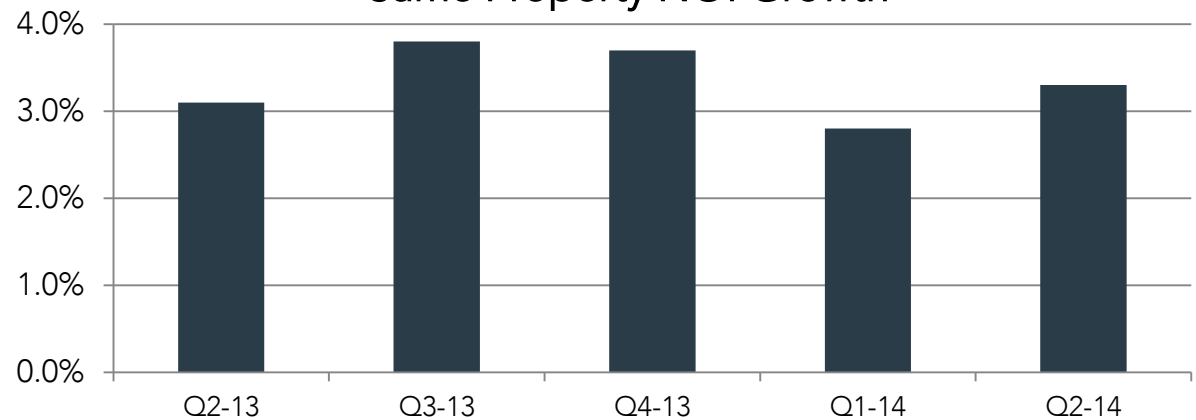
Enterprise Value \$5.1B



- Strong Markets with Healthy Economic Growth and Real Estate Fundamentals
- Solid gap between In-Place and Market Rents
- Track Record of Strong Same Property NOI Growth
- Development Pipeline Intensification/Densification
- Strategic Acquisitions

	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14
Weighted Average Rental Increase on Renewals	10.0%	5.2%	7.5%	2.4%	2.6%
Same Property NOI Growth	3.1%	3.8%	3.7%	2.8%	3.3%

Same Property NOI Growth



Capital City Centre, Regina, SK



GSA Phoenix Professional Office Building, Phoenix, AZ

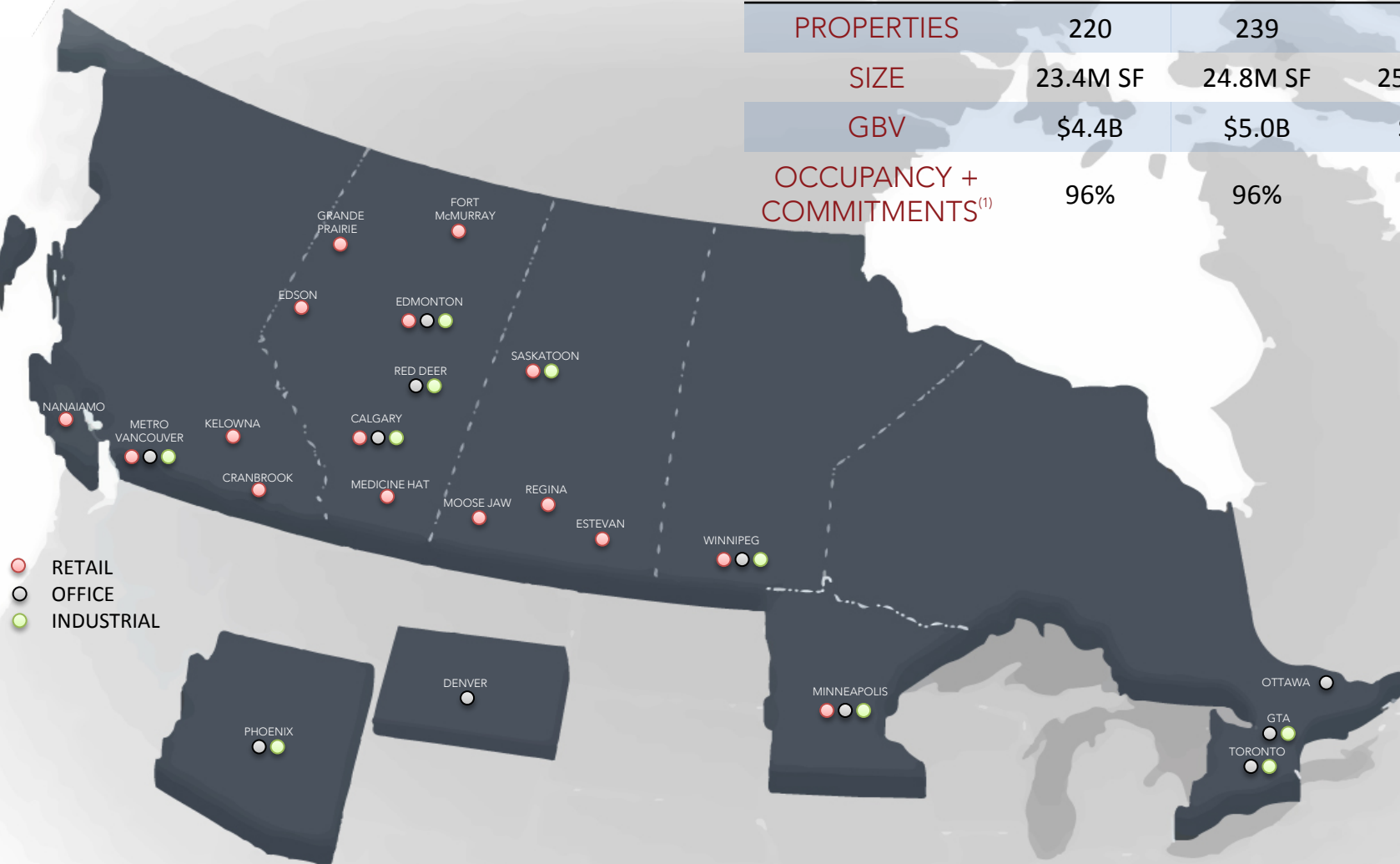


Westbank Hub Centre North, West Kelowna, BC



Aulds Corner, Nanaimo, BC

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- RETAIL
- OFFICE
- INDUSTRIAL



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