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MAY 16, 2012

**ARTIS ANNOUNCES CLOSING OF EQUITY OFFERING AND EXERCISE OF
UNDERWRITERS' OPTION FOR GROSS PROCEEDS OF \$115.7 MILLION**

Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis") announced today that it has closed its previously announced public offering of trust units, through a syndicate of underwriters co-led by RBC Capital Markets, CIBC and Canaccord Genuity Corp. (the "Underwriters"), on a bought deal basis, pursuant to which Artis sold 7,015,000 trust units ("Units") at a price of \$16.50 per Unit for gross proceeds to Artis of \$115,747,500 (the "Financing"), inclusive of 915,000 Units issued pursuant to an Underwriters' option.

Artis intends to use the net proceeds from the Financing to 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 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 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.

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.

Suite 300 – 360 Main Street
Winnipeg, MB R3C 3Z3
T 204.947.1250 F 204.947.0453

www.artisreit.com
AX.UN on the TSX