



FOR IMMEDIATE RELEASE

NOVEMBER 7, 2012

**ARTIS RELEASES THIRD QUARTER RESULTS; Q3-12 FFO PER UNIT
INCREASES 6.5% OVER Q3-11 AND 9.1% YEAR-OVER-YEAR**

Today Artis Real Estate Investment Trust ("Artis" or "the REIT") issued its financial results and achievements for the three and nine month periods ended September 30, 2012. All amounts are in thousands of Canadian dollars, unless otherwise noted.

"We are very pleased to release our third-quarter results, which again demonstrate our commitment to improving our earnings results, one quarter at a time, while continuing to improve our payout ratios, reduce our leverage levels and improve the quality and diversity of our portfolio of assets," said Armin Martens, CEO of Artis. "Q3 was also notable for the successful launch of our preferred units in Canada – the inaugural Series A offering and the inaugural US denominated Series C preferred unit offering."

2012 THIRD QUARTER HIGHLIGHTS

- ◆ Acquired commercial properties in Q3-12 for \$204.9 million. Portfolio increased to 203 income-producing properties comprising approximately 20.9 million square feet of leasable area at September 30, 2012.
- ◆ Raised \$86.3 million of equity pursuant to its inaugural offering of preferred units – the Series A cumulative 5-year rate reset units, which closed August 2, 2012. Raised an additional US\$75.0 million of preferred equity pursuant to the offering of Series C units, denominated in US dollars, which closed September 18, 2012.
- ◆ Replaced the \$60.0 million revolving acquisition line of credit that matured on September 28, 2012, with an \$80.0 million revolving credit facility, maturing September 6, 2014.
- ◆ Reached a gross book value ("GBV") of \$4.2 billion at September 30, 2012, compared to \$3.2 billion at December 31, 2011.
- ◆ Reported mortgage debt to GBV of 48.0% at September 30, 2012, compared to 50.7% at December 31, 2011.
- ◆ Increased Q3-12 revenues by 25.6% to \$98.5 million compared to Q3-11; increased year-over-year revenue by 28.8% to \$267.4 million.
- ◆ Increased Q3-12 Property NOI by 29.4% to \$63.5 million compared to Q3-11; increased year-over-year Property NOI by 33.0% to \$173.8 million.
- ◆ Increased Q3-12 FFO by 39.6% to \$37.6 million compared to Q3-11; increased year-over-year FFO by 41.4% to \$100.8 million.
- ◆ Increased Q3-12 FFO per unit by 6.5% to \$0.33 (\$0.34 excluding the impact of fair value adjustments included in non-cash unit-based compensation expense in the period) compared to Q3-11; increased year-over-year FFO per unit by 9.1% to \$0.96.
- ◆ Reported interest coverage ratio of 2.5 times for the three months ended September 30, 2012, compared to 2.2 times for the three months ended September 30, 2011.
- ◆ Reported portfolio occupancy of 95.3% (96.2% including committed space) at September 30, 2012.

<i>\$000's, except per unit amounts</i>	Three month period ended		Nine month period ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Revenue	\$ 98,466	\$ 78,427	\$ 267,433	\$ 207,572
Property NOI	\$ 63,529	\$ 49,111	\$ 173,752	\$ 130,652
FFO ⁽¹⁾	\$ 37,558	\$ 26,910	\$ 100,777	\$ 71,280
Diluted FFO per unit ⁽¹⁾	\$ 0.33	\$ 0.31	\$ 0.96	\$ 0.88
Distributions per common unit	\$ 0.27	\$ 0.27	\$ 0.81	\$ 0.81
FFO payout ratio	81.8%	87.1%	84.4%	92.0%

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

<i>\$000's</i>	September 30, 2012	December 31, 2011
GBV	\$ 4,174,019	\$ 3,167,941
Mortgages, loans and bank indebtedness	\$ 2,004,800	\$ 1,605,299
Debt to GBV	48.0%	50.7%

Portfolio Acquisition Activity

Artis acquired 28 properties in Canada and the United States ("the U.S.") during the three month period ended September 30, 2012 for aggregate purchase prices of \$167.5 million and US\$38.0 million. The purchase prices were settled with cash on hand and from the proceeds of new and assumed mortgage financings aggregating \$87.7 million (including \$20.0 million which funded subsequent to September 30, 2012) and US\$26.6 million.

Subsequent to September 30, 2012, Artis acquired 12 properties in Canada and the U.S. for aggregate purchase prices of \$51.0 million and US\$96.6 million. The purchase prices were settled from cash on hand and from the proceeds of new mortgage financings aggregating \$30.4 million and US\$54.6 million.

Additional information about these acquisitions and other proposed acquisitions can be found in the REIT's press release of today's date, available on the REIT's web site at www.artisreit.com or on SEDAR.

Liquidity and Capital Resources

At September 30, 2012, Artis had \$119.2 million of cash and cash equivalents on hand and \$54.6 million available on the newly arranged revolving term credit facility. Liquidity will be impacted by acquisitions that have closed or are anticipated to close subsequent to September 30, 2012.

At September 30, 2012, the ratio of mortgages, loans and bank indebtedness to GBV was 48.0%, 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 52.4% at September 30, 2012, compared to 58.1% at December 31, 2011.

All 2012 mortgage expiries have been successfully repaid or refinanced.

Portfolio Operational and Leasing Results

Considering all properties owned at September 30, 2012, 3.3% of the portfolio's leasable area is set to expire in the remainder of 2012 and 12.5% expires in 2013. As of today's date, the 2012 leasing program is substantially complete, and 36.7% of the 2013 leasing program has been completed. Management estimates that market rents at September 30, 2012, are 6.5% above the expiring in-place rents across the portfolio, compared to 6.6% at June 30, 2012. Market rents for the lease expiries in 2012, 2013, and 2014 are estimated to be 11.2%, 3.5% and 6.7%, respectively, above the expiring in-place rents.

Portfolio occupancy at September 30, 2012 increased to 95.3% (96.2% including commitments on vacant space), compared to 94.6% at June 30, 2012.

Tenant Profile

The weighted-average term to maturity of leases at September 30, 2012, is 5.0 years. Approximately 66.1% of the REIT's GLA is occupied by national or government tenants. Government tenants account for 7.3% of the portfolio's gross revenues, with a weighted-average lease term to maturity of 7.6 years. The top twenty non-government tenants

are well-diversified across industry sectors include many national, international and publicly listed companies. They collectively account for 20.5% of the portfolio's gross revenues, with a weighted-average lease term to maturity of 7.2 years.

Upcoming Webcast and Conference Call

Interested parties are invited to participate in a conference call with management on Thursday, November 8, 2012 at 1:00 p.m. CST (2:00 p.m. EST). In order to participate, please dial 1-416-340-8527 or 1-877-240-9772. 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 November 8, 2012, a replay of the conference call will be available by dialing 1-905-694-9451 or 1-800-408-3053 and entering passcode #4758539. The replay will be available until November 22, 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 23.0 million square feet of leasable area in 214 properties. Leasable area by asset class is approximately 18.3% retail, 32.6% office and 49.1% industrial. The portfolio is located 8.0% in British Columbia, 26.2% in Alberta, 4.8% in Saskatchewan, 15.6% in Manitoba, 15.0% in Ontario and 30.4% 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.