



FOR IMMEDIATE RELEASE

MAY 7, 2013

**ARTIS RELEASES FIRST QUARTER RESULTS:
YEAR-OVER-YEAR FFO PER UNIT INCREASES 23% AND
AFFO PAYOUT RATIO DECREASES TO 82%**

Today Artis Real Estate Investment Trust ("Artis" or "the REIT") issued its financial results and achievements for the three month period ended March 31, 2013. All amounts are in thousands of Canadian dollars, unless otherwise noted.

"We are off to an excellent start in 2013, with three more properties added to the portfolio and our \$100.0 million Series E preferred unit offering completed in Q1-13," said Armin Martens, CEO of Artis. "Artis continues to focus on improving our key financial metrics, with notable increases reported in both our FFO and AFFO per unit results. Our payout and interest coverage ratios improved once again in Q1-13, and our overall leverage has decreased."

FIRST QUARTER HIGHLIGHTS

- ◆ Qualified for an Investment Grade Credit Rating from DBRS. Assigned a rating of BBB (low) and Pfd-3 (low).
- ◆ Acquired a total of three commercial properties in Q1-13 for \$76.7 million, reaching a gross book value ("GBV") of \$4.6 billion at March 31, 2013, compared to \$4.4 billion at December 31, 2012.
- ◆ Increased portfolio to 223 income-producing properties, comprising approximately 23.7 million square feet of leasable area at March 31, 2013.
- ◆ Raised \$100.0 million of equity in a public offering of preferred Series E units.
- ◆ Decreased mortgage debt to GBV to 46.1% at March 31, 2013, compared to 47.3% at December 31, 2012; decreased total debt to GBV to 50.2%, compared to 51.5% December 31, 2012.
- ◆ Increased Q1-13 Property NOI by 35.3% to \$71.5 million compared to Q1-12; Same Property NOI growth for Q1-13 was a solid 2.4%.
- ◆ Increased Q1-13 FFO by 51.5% to \$44.8 million compared to Q1-12; increased Q1-13 FFO per unit by 22.6% to \$0.38 per unit compared to Q1-12.
- ◆ Increased Q1-13 AFFO by 46.1% to \$38.9 million compared to Q1-12; increased Q1-13 AFFO per unit by 17.9% to \$0.33, per unit compared to Q1-12.
- ◆ Decreased FFO payout ratio to 71.1% at March 31, 2013, compared to 87.1% at March 31, 2012 and decreased AFFO payout ratio to 81.8% at March 31, 2013, compared to 96.4% at March 31, 2012.
- ◆ Improved Q1-13 interest coverage ratio to 2.83 times, from 2.32 times at Q1-12;
- ◆ Decreased weighted-average effective rate of interest by 11 basis points to 4.31% at March 31, 2013 compared to 4.42% at December 31, 2012.

SELECTED FINANCIAL INFORMATION

<i>\$000's, except per unit amounts</i>	Three month period ended	
	2013	March 31, 2012
Revenue	\$ 108,779	\$ 82,132
Property NOI	\$ 71,516	\$ 52,842
Distributions per common unit	\$ 0.27	\$ 0.27
FFO ⁽¹⁾	\$ 44,777	\$ 29,890
Diluted FFO per unit ⁽¹⁾	\$ 0.38	\$ 0.31
FFO payout ratio ⁽¹⁾	71.1 %	87.1 %
AFFO	\$ 38,864	\$ 26,600
Diluted AFFO per unit	\$ 0.33	\$ 0.28
AFFO payout ratio	81.8 %	96.4 %

(1) After adjustments for transaction costs.

Artis' ratio of mortgages, loans and bank indebtedness to GBV declined since December 31, 2012, as follows:

<i>\$000's</i>	March 31, 2013	December 31, 2012
GBV	4,580,240	4,380,766
Mortgages, loans and bank indebtedness	2,113,143	2,073,607
Mortgages, loans and bank indebtedness to GBV	46.1 %	47.3 %

DBRS Assigns Rating of BBB (low) and Pfd-3 (low) to Artis REIT

DBRS has assigned an Issuer Rating of BBB (low) with a Stable trend to Artis REIT. DBRS has also assigned a rating of Pfd-3 (low) with a Stable trend to Artis' preferred units.

DBRS highlighted Artis' strengths as being a reasonable scaled REIT with a mid-size portfolio that continues to improve in quality with new property additions; as having a well-diversified portfolio by asset type and geography; as having a diverse tenant roster including a number of government and other investment-grade tenants; and as improving financial profile and credit metrics.

Portfolio Acquisition Activity

During Q1-13, Artis acquired three properties, as follows:

Property	Property Count	Acquisition Date	Location	Property Type	GLA
1110 Pettigrew Avenue	1	January 15, 2013	Regina, SK	Industrial	118,800
Century Crossing III ⁽¹⁾	1	February 11, 2013	Spruce Grove, AB	Retail	90,736
495 Richmond Road	1	March 15, 2013	Ottawa, ON	Office	106,193

(1) Artis closed the first part of the acquisition during the quarter. The second part is expected to close in July 2013.

Artis acquired these commercial properties in Canada for an aggregate purchase price of \$76.7 million, which represented a weighted-average capitalization rate of 6.5%. The purchase prices were settled with cash on hand, from the proceeds of new 10-year mortgage financing aggregating \$23.3 million bearing interest at an annual rate of 4.0%, and from the proceeds of \$9.8 million of vendor take-back mortgage financing, which will be settled for cash at the time of the second closing of Century Crossing III.

Liquidity and Capital Resources

At March 31, 2013, Artis had \$100.4 million of cash and cash equivalents on hand and \$60.0 million available on the revolving term credit facility. Liquidity and capital resources will be impacted by financings, portfolio acquisition activities and debt repayments occurring subsequent to March 31, 2013.

Subsequent to March 31, 2013, Artis closed, or announced that it had entered into unconditional agreements, with respect to the following:

Property	Property Count	Anticipated Acquisition Date	Location	Property Type	Owned Share of GLA
220 Portage Avenue	1	April 30, 2013	Winnipeg, MB	Office	170,158
PTI Building ⁽¹⁾	1	June 2013	Acheson, AB	Industrial	71,654
Quarry Park Portfolio	3	May 15, 2013	Calgary, AB	Office	282,327
1700 Broadway ⁽²⁾	1	May 22, 2013	Denver, CO	Office	176,076
ASM America Headquarters Building	1	May 31, 2013	Phoenix, AZ	Industrial	130,282
Cara Foods Building ⁽³⁾	1	June 5, 2013	Vaughan, ON	Office	100,398
Century Crossing III ⁽⁴⁾	1	July 1, 2013	Spruce Grove, AB	Retail	90,736

(1) Artis will acquire the building on completion of construction and commencement of the tenant lease. The date is yet to be determined, but is anticipated to be in mid-May.

(2) Artis has entered into an unconditional agreement to acquire a 50% interest in this 394,151 square foot property.

(3) Artis currently owns a 50% interest in the property, representing 50,199 square feet, and has entered into an unconditional agreement to purchase the remaining 50% interest representing an additional 50,199 square feet.

(4) The second part of the acquisition, representing \$9.8 million, is expected to close in July 2013.

These properties are being acquired for aggregate purchase prices of \$247.6 million and US\$68.8, representing a weighted-average capitalization rate of 6.4%. The purchase prices are being settled with cash on hand and from the proceeds of new and assumed mortgage financing aggregating \$106.4 million and US\$34.4 million. The mortgage financing bears interest at a weighted-average annual rate of 3.5% and with a weighted-average term to maturity of 8.5 years.

Subsequent to March 31, 2013, Artis announced a bought deal equity offering for \$172.5 million of aggregate gross proceeds (including the exercise of in full of the underwriters' over-allotment option). The offering is expected to close on May 9, 2013.

Portfolio Operational and Leasing Results

Portfolio occupancy at March 31, 2013 increased to 95.8% (96.8% including commitments on vacant space) from 95.6% at December 31, 2012, and 95.0% at March 31, 2012.

Excluding GAAP adjustments for straight-line rent and amortization of tenant inducements, Same Property NOI results for Q1-13 increased 2.4% over Q1-12 results.

In Q1-13, Artis renewed 733,424 square feet of leasable area at a weighted-average rate increase of 6.9%.

Considering all properties owned at March 31, 2013, 10.6% of the portfolio's leasable area is set to expire in 2013 and 10.3% in 2014. Thus far, 48.3% of leasable area expiring in 2013 has been renewed or committed to new leases. Management estimates that the weighted-average market rent for leases expiring in the remainder of 2013 and in 2014 are 5.8% and 7.7%, respectively, above in-place rents. Across the portfolio, management estimates that the weighted-average market rents at expiry for the entire portfolio are 8.9% above in-place rents.

Tenant Profile

The weighted-average term to maturity of leases at March 31, 2013, is 4.9 years. Approximately 63.1% of the REIT's gross revenue is derived from national or government tenants. Government tenants account for 7.0% of the portfolio's gross revenues, with a weighted-average lease term to maturity of 7.7 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 19.1% of the portfolio's gross revenues, with a weighted-average term to maturity of 6.7 years.

Upcoming Webcast and Conference Call:

Interested parties are invited to participate in a conference call with management on Wednesday, May 8, 2013 at 12:00 p.m. CST (1:00 p.m. EST). In order to participate, please dial 1-416-340-2216 or 1-866-226-1792. 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 8, 2013, a replay of the conference call will be available by dialing 1-905-694-9451 or 1-800-408-3053 and entering passcode #3456666. The replay will be available until May 22, 2013. 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 nearly 23.9 million square feet of leasable area in 224 properties. Leasable area by asset class is approximately 18.3% retail, 32.6% office and 49.1% industrial. The portfolio is located 7.7% in British Columbia, 25.7% in Alberta, 5.4% in Saskatchewan, 15.8% in Manitoba, 16.1% in Ontario and 29.3% in the U.S.

Non-GAAP Performance Measures

Property Net Operating Income ("Property NOI"), Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO") are non-GAAP measures commonly used by Canadian real estate investment trusts as an indicator of financial performance. "GAAP" means the generally accepted accounting principles described by the Canadian Institute of Chartered Accountants ("CICA") Handbook - Accounting, which are applicable as at the date on which any calculation using GAAP is to be made. As a publicly accountable enterprise, Artis applies the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Artis calculates Property NOI as revenues, measured in accordance with IFRS, less property operating expenses such as taxes, utilities, repairs and maintenance. Property NOI does not include charges for interest and amortization. Management considers Property NOI to be a valuable measure for evaluating the operating performance of the REIT's properties.

Artis calculates FFO substantially in accordance with the guidelines set out by the Real Property Association of Canada ("REALpac"), as issued in November 2012. Management considers FFO to be a valuable measure for evaluating the REIT's operating performance in achieving its objectives.

Artis calculates AFFO based on FFO for the period, net of allowances for normalized capital expenditures and leasing costs and excluding straight-line rent adjustments and unit-based compensation expense.

Property NOI, FFO and AFFO are not measures defined under IFRS. Property NOI, FFO and AFFO are not intended to represent operating profits for the period, or from a property, nor should any of these measures be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. Readers should be further cautioned that Property NOI, FFO and AFFO as calculated by Artis may not be comparable to similar measures presented by other issuers.

Cautionary Statements

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. Particularly, statements regarding the REIT's future operating results, performance and achievements are 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. Such risk factors include, but are not limited to, risks associated with real property ownership, availability of cash flow, general uninsured losses, future property acquisitions, environmental matters, tax related matters, debt financing, unitholder liability, potential conflicts of interest, potential dilution, reliance on key personnel, changes in legislation and changes in the tax treatment of trusts. 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.