

May 12, 2014

**ARTIS ANNOUNCES \$100 MILLION EQUITY OFFERING AND
ANNOUNCES NEW PROPERTY ACQUISITIONS**

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IN THE UNITED STATES

Artis Real Estate Investment Trust (TSX:AX.UN) ("Artis" or the "REIT") announced today that it has entered into an agreement to sell to a syndicate of underwriters led by RBC Capital Markets, CIBC and Canaccord Genuity Corp. (the "Underwriters"), on a bought deal basis, 6,215,000 trust units ("Units") at a price of \$16.10 per Unit for gross proceeds to Artis of \$100,061,500 (the "Financing"). Artis has also granted the Underwriters an option, exercisable at any time up to 48 hours prior to the closing of the Financing, to purchase a further 932,250 units at the issue price which, if fully exercised, would result in additional gross proceeds of \$15,009,225.

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 May 22, 2014 and is subject to regulatory approval.

Artis intends to use the net proceeds to fund future acquisitions, including those outlined below, for debt repayment and for general trust purposes.

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.

Acquisitions

601 Tower at Carlson is a 15 storey office tower located in Minneapolis, Minnesota. The property has 288,458 square feet and is over 99% occupied, with 40% of the asset leased to credit tenants, including Wells Fargo Advisors, RBC Capital Markets, OneBeacon Services, LLC, and HQ Global Workplaces. 601 Tower is strategically located at the intersection of Interstates 394 and 494, in one of the strongest office markets in Minneapolis. The building is of quality construction and is a well know landmark with its flame-cut, polished burgundy granite and reflective glass exterior. The property offers amenities ranging from prestigious event space, conference rooms and a gift shop, to a full service cafe, concierge, and a 24-hour fitness facility. Additional information on the asset can be found on the property website at www.601tower.com. The property is being acquired at a purchase price of \$75.0 million, which represents a going-in capitalization rate of 7.50%. The acquisition is expected to close on June 11, 2014.

On April 15, 2014, Artis closed on the acquisition of Hudson's Bay Centre, a 172,912 square foot, 20-storey office tower located in the Central Business District of downtown Denver, Colorado. The property has access to two light rail transit stops within half a block of the building, and is strategically located on 16th Street Mall, a pedestrian only roadway, with immediate access to the free 16th Street Mall Shuttle and minutes from Union Station. This Class A office tower is currently 96.4% leased to a mix of tenants, from financial services to oil and gas companies. The property has a weighted average lease term to maturity of 3 years and with in-place rents significantly below current market rates, it provides a remarkable opportunity for income growth as leases roll to market. Additional information on the asset can be found at <http://flyers.cushmanwakefield.com/flyers/HBC-Brochure-2013.pdf>. Artis acquired a 50% interest in the property for a purchase price of \$20.8 million, representing a capitalization rate of 6.00%. Artis' partner for the remaining 50% interest is MDC Realty Advisors USA Inc. ("MDC"), the same entity with which Artis

acquired 1700 Broadway, also located in Denver, Colorado. The purchase price was financed by new 7-year mortgage financing in the amount of \$10.6 million, bearing an interest rate of 3.76%.

On May 1, 2014, Artis closed on the acquisition of Estevan Shoppers Mall, a 129,732 square foot enclosed retail centre located in Estevan, SK. The property is immediately adjacent to the Estevan Sobey's purchased by Artis in 2008, and completes Artis' ownership of the entire retail centre. The property is 96.2% occupied and leased to several national retailers including Dollarama L.P., Mark's Work Wearhouse Ltd., Peavey Industries Limited, FGL Sports Ltd. operating as Sport Chek, and The TDL Group Corporation operating as Tim Hortons. The purchase price of \$10.1 million represents a going-in capitalization rate of 8.25% and includes approximately 6.0 acres of excess land for potential future development. The property was acquired with cash on hand.

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. As of today's date, Artis' commercial property comprises approximately 25.0 million square feet of leasable area. At March 31, 2014, actual period-to-date Property Net Operating Income ("Property NOI") by asset class was approximately 24.7% retail, 51.5% office and 23.8% industrial. Property NOI by geographical region was approximately 8.3% in British Columbia, 38.7% in Alberta, 5.6% in Saskatchewan, 12.2% in Manitoba, 12.6% in Ontario and 22.6% 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. Heather Nikkel, Director - Investor Relations of the REIT at 1.204.947.1250

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.

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 proposed future property acquisition and other intended uses of proceeds 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 risks associated with the proposed future property acquisition. 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.

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