



FOR IMMEDIATE RELEASE

FEBRUARY 29, 2016

**ARTIS RELEASES 2015 ANNUAL RESULTS:
REPORTS STRONG FFO PER UNIT GROWTH OF 7.7%
FFO PAYOUT RATIO IMPROVES TO 72.5%**

Today Artis Real Estate Investment Trust ("Artis" or the "REIT") issued its financial results and achievements for the three and twelve months ended December 31, 2015. All amounts are in thousands of Canadian dollars and are inclusive of Artis' ownership in investments in joint ventures on a proportionate share basis, unless otherwise noted.

"We are very pleased to deliver another year of strong FFO per unit growth. Despite the difficult economic environment, our record 2015 results demonstrate the resiliency of our diverse portfolio and the significance of our timely decision to expand to the United States in 2010," said Armin Martens, President and Chief Executive Officer of Artis. "The strong performance of our U.S. assets has helped to offset the impact of the challenging conditions in oil affected markets, specifically Alberta. Until there is positive visibility on commodity prices and relevant economic fundamentals, there may be further headwinds for our Alberta portfolio. In the meantime, we are preparing for a slow economic recovery and will continue to focus on improving our earnings, prudently managing our assets, and recycling our capital in an accretive manner in 2016."

2015 ANNUAL HIGHLIGHTS

- Acquired a total of 10 commercial properties in Canada and the United States for \$74.0 million and US\$88.1 million, respectively, and increased our portfolio from 25.7 million to 26.2 million square feet of leasable area at December 31, 2015.
 - Disposed of two retail and two office properties in Canada for an aggregate sale price of \$72.2 million and two office properties in the United States for an aggregate sale price of US\$56.8 million.
 - Completed construction of Centrepont, an approximately 104,000 square foot office building with an ancillary 400 stall parkade in Winnipeg, Manitoba. Artis owns a 50% interest in this joint venture arrangement.
 - Improved interest rate coverage ratio to 2.92 times for the year ended and decreased weighted-average effective mortgage interest rate to 3.93% at December 31, 2015.
 - Increased the unsecured revolving term credit facilities to an aggregate amount of \$300.0 million.
 - Increased unencumbered pool of assets to \$1.1 billion at December 31, 2015 from \$664.8 million at December 31, 2014.
 - Reported Same Property NOI growth of 4.5% in Canadian dollars for the total portfolio compared to last year.
 - Reported solid occupancy of 92.7% (94.7% including commitments) at December 31, 2015.
 - FFO per unit increased by 7.7% to \$1.53 (FFO per unit after adjustments increased by 4.9% to \$1.49) compared to last year.
 - AFFO per unit increased by 8.9% to \$1.34 (AFFO per unit after adjustments increased by 5.7% to \$1.30) compared to last year.
- Improved year-over-year FFO payout ratio after adjustments to 72.5% at December 31, 2015, compared to 76.1% at December 31, 2014.
- Improved year-over-year AFFO payout ratio after adjustments to 83.1% at December 31, 2015, compared to 87.8% at December 31, 2014.

FOURTH QUARTER HIGHLIGHTS

- Acquired Canadian Pacific Plaza, an office building located in the Twin Cities Area, Minnesota for a purchase price of US\$68.6 million.
- Sold one office property in the Greater Vancouver Area, British Columbia and one vacant retail property in Grande Prairie, Alberta for an aggregate sale price of \$19.4 million. Artis also sold one office property in Tampa, Florida and one office property in the Twin Cities Area, Minnesota for an aggregate sale price of US\$56.8 million.
- Reported Same Property NOI growth of 4.0% in Canadian dollars for the total portfolio compared to the same quarter of last year.
- FFO per unit increased by 5.6% to \$0.38 (FFO per unit after adjustments increased by 5.6% to \$0.38) compared to the same quarter of last year.
- AFFO per unit increased by 6.5% to \$0.33 (AFFO per unit after adjustments increased by 6.5% to \$0.33) compared to the same quarter of last year.
- Improved FFO payout ratio after adjustments for the quarter to 71.1%, compared to 75.0% for the same quarter of last year.
- Improved AFFO payout ratio after adjustments for the quarter to 81.8%, compared to 87.1% for the same quarter of last year.

SELECTED FINANCIAL INFORMATION

<i>\$000's, except per unit amounts</i>	Year ended December 31,		
	2015	2014	% Change
Revenue	\$ 552,502	\$ 508,639	8.6 %
Property NOI	341,952	317,382	7.7 %
Distributions per common unit	1.08	1.08	— %
FFO	\$ 215,881	\$ 193,461	11.6 %
FFO per unit	1.53	1.42	7.7 %
FFO after adjustments ⁽¹⁾	210,564	193,285	8.9 %
FFO per unit after adjustments ⁽¹⁾	1.49	1.42	4.9 %
FFO payout ratio after adjustments ⁽¹⁾	72.5%	76.1%	(3.6)%
AFFO	\$ 186,450	\$ 164,761	13.2 %
AFFO per unit	1.34	1.23	8.9 %
AFFO after adjustments ⁽¹⁾	180,321	164,585	9.6 %
AFFO per unit after adjustments ⁽¹⁾	1.30	1.23	5.7 %
AFFO payout ratio after adjustments ⁽¹⁾	83.1%	87.8%	(4.7)%

(1) Calculated after adjustments for lease terminations and non-recurring other income.

\$000's, except per unit amounts	Three months ended December 31,		
	2015	2014	% Change
Revenue	\$ 142,873	\$ 133,879	6.7 %
Property NOI	85,333	81,090	5.2 %
Distributions per common unit	0.27	0.27	— %
FFO	\$ 53,439	\$ 49,615	7.7 %
FFO per unit	0.38	0.36	5.6 %
FFO after adjustments ⁽¹⁾	53,266	49,542	7.5 %
FFO per unit after adjustments ⁽¹⁾	0.38	0.36	5.6 %
FFO payout ratio after adjustments ⁽¹⁾	71.1%	75.0%	(3.9)%
AFFO	\$ 45,671	\$ 42,044	8.6 %
AFFO per unit	0.33	0.31	6.5 %
AFFO after adjustments ⁽¹⁾	45,498	41,971	8.4 %
AFFO per unit after adjustments ⁽¹⁾	0.33	0.31	6.5 %
AFFO payout ratio after adjustments ⁽¹⁾	81.8%	87.1%	(5.3)%

(1) Calculated after adjustments for lease terminations and non-recurring other income.

LIQUIDITY AND LEVERAGE

\$000's	December 31, 2015	December 31, 2014
Fair value of investment properties	\$ 5,528,026	\$ 5,443,179
Cash and cash equivalents	71,444	52,832
Available on revolving term credit facilities	75,000	125,000
Fair value of unencumbered properties	1,059,792	664,792
Secured mortgage and loans to GBV ⁽¹⁾	41.2%	41.9%
Total long-term debt and bank indebtedness to GBV ⁽¹⁾	52.4%	48.9%
Unencumbered assets to unsecured debt	2.5 times	3.3 times
Interest coverage ratio	2.92 times	2.82 times
Weighted-average effective interest rate on mortgages and other loans	3.93%	4.16%
Weighted-average term to maturity on mortgages and other loans	3.8 years	3.9 years
Unhedged floating rate mortgage debt as a percentage of total debt	11.6%	9.5%

(1) GBV is calculated as the consolidated net book value of the consolidated assets of the REIT, adding back the amount of accumulated depreciation of property and equipment.

PORTFOLIO ACQUISITION AND DISPOSITION ACTIVITY

During 2015, Artis acquired the following properties:

Property	Property Count	Acquisition Date	Location	Asset Class	Owned Share of GLA	Purchase Price	Capitalization Rate
The Point at Inverness ⁽¹⁾	1	March 26, 2015	Greater Denver Area, CO	Office	93,592	US\$19,500	6.30%
Graham Portfolio ⁽²⁾	8	July 23, 2015	Various cities in BC, AB & SK	Industrial	243,105	74,034	6.40%
Canadian Pacific Plaza	1	November 3, 2015	Twin Cities Area, MN	Office	393,902	US68,550	7.50%

(1) Artis acquired a 50% interest in this joint venture.

(2) Artis acquired a 75% interest in this joint venture.

Artis acquired the above properties for aggregate purchase prices of \$74.0 million and US\$88.1 million. These acquisitions represent a weighted-average capitalization rate of 6.85%.

In 2015, Artis acquired a 10 acre parcel of development land in the Greater Denver Area, Colorado for US\$7.6 million, adjacent to the DirecTV Building, an office property owned by Artis.

During 2015, Artis disposed of the following properties:

Property	Disposition Date	Location	Asset Class	Sale Price	Capitalization Rate
Moose Jaw Sobeys ⁽¹⁾	June 18, 2015	Moose Jaw, SK	Retail	\$ 5,300	n/a ⁽²⁾
1045 Howe Street	June 24, 2015	Greater Vancouver Area, BC	Office	47,500	2.95%
605 Waterford Park	October 9, 2015	Twin Cities Area, MN	Office	US31,500	6.79%
Willingdon Green	November 2, 2015	Greater Vancouver Area, BC	Office	16,685	5.53%
Gateway II	November 30, 2015	Grande Prairie, AB	Retail	2,700	n/a ⁽²⁾
Mosaic Office Building	December 30, 2015	Tampa, FL	Office	US25,263	6.00%

(1) Artis received a lease termination payment prior to the sale of this property.

(2) This property was vacant at the time of disposition, and was sold to an owner-occupier.

Artis disposed of the above properties for aggregate sale prices of \$72.2 million and US\$56.8 million.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2015, Artis had \$71.4 million of cash and cash equivalents on hand and \$75.0 million available on its revolving term credit facilities. Liquidity and capital resources will be impacted by financings, portfolio acquisition and disposition activities and debt repayments occurring subsequent to December 31, 2015.

DEVELOPMENT PROJECTS

During 2015, Artis completed the redevelopment of four properties in its existing portfolio, including Pleasant Valley Landing, a retail property in Nanaimo, British Columbia, 1595 Buffalo Place, an industrial property in Winnipeg, Manitoba, Inkster Business Centre, an industrial property in Winnipeg, Manitoba, and 201 Westcreek Boulevard, an industrial property in the Greater Toronto Area, Ontario.

In addition to the successful completion of these redevelopment projects, Artis finished construction of Centrepoint, a new office building in the heart of downtown Winnipeg, Manitoba, comprising approximately 104,000 square feet of leasable area and an ancillary 400 stall parkade. Artis has a 50% ownership interest in this project. Phase I of Park Lucero, a 208,000 square foot industrial development in the Greater Phoenix Area, Arizona, was also completed in the year. Leasing efforts and development planning for Phase II of Park Lucero are currently underway. Artis has a 90% ownership interest in the Park Lucero development project. Construction of Phase I of Park 8Ninety, a multi-phase industrial development in Houston, Texas, is also underway. Artis has a 95% ownership interest in Phase I of this project.

Artis' future development pipeline, which consists of projects that are in early planning stages to be developed over the next several years, includes an opportunity for a retail development in Winnipeg, Manitoba, an office development in the Twin Cities Area, Minnesota and an office development in the Greater Denver Area, Colorado.

PORTFOLIO OPERATIONAL AND LEASING RESULTS

Occupancy at December 31, 2015 was 92.7% (94.7% including commitments on vacant space) compared to 94.6% at December 31, 2014, excluding properties held for redevelopment.

\$000's	Q4-15	Q3-15	Q2-15	Q1-15	Q4-14
Property NOI	\$85,333	\$ 86,427	\$ 85,660	\$ 84,532	\$ 81,090
Property NOI change ⁽¹⁾	(1.3)%	0.9%	1.3%	4.2%	1.5%
Same Property NOI growth reported in the period ^{(2) (3)}	4.0 %	5.5%	3.5%	5.2%	3.5%
Weighted-average rental rate (decrease) increase on renewals reported in the period	(0.1)%	3.0%	12.0%	6.0%	7.2%

(1) Property NOI has been impacted by acquisition and disposition activity, the impact of foreign exchange and lease termination income.

(2) Excluding GAAP adjustments for straight-line rent, amortization of tenant inducements and lease termination income.

(3) The same property results are positively impacted by foreign exchange.

Artis' portfolio has a stable lease expiry profile and significant progress on lease renewals has been made, with 26.1% of the 2016 expiries and 8.6% of the 2017 expiries already renewed or committed to new leases at December 31, 2015. Weighted-average in-place rents for the entire portfolio are \$13.41 per square foot and are estimated to be 2.6% below market rents. Information about Artis' lease expiry profile follows:

	2016	2017	2018	2019	2020 & later
Expiring square footage	14.9%	13.2 %	10.4%	9.7 %	42.3%
Committed percentage	26.1%	8.6 %	0.9%	0.5 %	0.8%
In-place rents	\$ 11.23	\$ 11.21	\$ 14.08	\$ 15.08	\$ 14.32
Comparison of in-place to market rents	1.0%	(0.8)%	0.5%	(0.3)%	5.2%

Artis' Calgary office portfolio represents 14.7% of Property NOI and 9.7% of overall portfolio by GLA. During 2016, Calgary office expiries represent 1.2% of Artis' total GLA. Of this expiring square footage, 12.2% has been renewed or committed to new leases. In 2017, Calgary office expiries represent 1.0% of Artis' total GLA.

	2016	2017	2018	2019	2020 & later
Calgary office expiring square footage as a % of total GLA	1.2%	1.0%	1.1%	0.9%	3.8%

UPCOMING WEBCAST AND CONFERENCE CALL

Interested parties are invited to participate in a conference call with management on Tuesday, March 1, 2016 at 12:00 p.m. CT (1:00 p.m. ET) . In order to participate, please dial 1-416-764-8688 or 1-888-390-0546. 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 Tuesday, March 1, 2016, a replay of the conference call will be available by dialing 1-416-764-8677 or 1-888-390-0541 and entering passcode 935651#. The replay will be available until Friday, April 1, 2016. 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, retail and industrial. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial properties in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and select markets in the United States. As of December 31, 2015, Artis' commercial property comprises approximately 26.2 million square feet of leasable area.

During the three months ended December 31, 2015, Property Net Operating Income ("Property NOI") by asset class,

was approximately 24.8% retail, 49.7% office and 25.5% industrial. Property NOI by geographical region, was approximately 6.6% in British Columbia, 34.6% in Alberta, 6.6% in Saskatchewan, 11.9% in Manitoba, 10.6% in Ontario and 29.7% in the U.S.

Non-GAAP Performance Measures

Property Net Operating Income ("Property NOI"), Funds from Operations ("FFO"), Adjusted Funds from Operations ("AFFO") and Proportionate Share 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 CPA Canada 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 less property operating expenses such as utilities, repairs and maintenance and realty taxes. 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 April 2014. These guidelines include certain additional adjustments to FFO under IFRS from the previous definition of FFO. 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.

Artis accounts for its joint ventures using the equity method in its consolidated financial statements in accordance with IFRS. Proportionate Share includes Artis' interest in joint ventures based on its percentage of ownership in addition to the amounts per its consolidated financial statements.

Property NOI, FFO, AFFO and Proportionate Share are not measures defined under IFRS. Property NOI, FFO and AFFO and Proportionate Share 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, AFFO and Proportionate Share 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 and dispositions, 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. Heather Nikkel, Director - Investor Relations of the REIT at (204) 947-1250.

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