



FOR IMMEDIATE RELEASE

AUGUST 31, 2018

**ARTIS REAL ESTATE INVESTMENT TRUST  
PROVIDES NOTICE OF SERIES E PREFERRED UNIT RECLASSIFICATION  
DATE AND DISTRIBUTION RATES**

Artis Real Estate Investment Trust (TSX: AX.UN) (“Artis” or the “REIT”) announced today that it does not intend to exercise its right to redeem all or any part of the currently outstanding Preferred Units, Series E (“**Series E Units**”) (AX.PR.E) on September 30, 2018.

As a result, and subject to certain conditions set forth in the certificate of preferred units terms relating to the Series E Units dated effective March 21, 2013 (the “**Certificate of Series E Unit Terms**”), the holders of Series E Units will have the right to elect to reclassify all or any of their Series E Units into Preferred Units, Series F (“**Series F Units**”) of Artis on the basis of one Series F Unit for each Series E Unit on September 30, 2018.

With respect to any Series E Units that remain outstanding after September 30, 2018, holders thereof will be entitled to receive distributions, if, as and when declared by the Board of Trustees of Artis, in an annual amount per Series E Unit determined by multiplying the Annual Fixed Distribution Rate for such subsequent fixed rate period by \$25.00, and shall be payable quarterly on the last business day of each of March, June, September and December in each year during such subsequent fixed rate period. For the initial subsequent fixed rate period commencing on October 1, 2018, the Annual Fixed Distribution Rate is 5.472% per annum.

With respect to any Series F Units that may be issued on September 30, 2018, holders thereof will be entitled to receive distributions, if, as and when declared by the Board of Trustees of Artis, in an amount per Series F Unit determined by multiplying the Floating Quarterly Distribution Rate (calculated on the basis of the actual number of days elapsed in such quarterly floating rate period, divided by 365) by \$25.00, which shall be payable quarterly on the last business day of such quarterly floating rate period. For the initial quarterly floating rate period commencing October 1, 2018, the Floating Quarterly Distribution Rate is 4.809% per annum.

As provided in the Certificate of Series E Unit Terms: (i) if Artis determines that there would remain outstanding on September 30, 2018 less than 500,000 Series E Units, all remaining Series E Units shall be reclassified automatically into Series F Units on a one-for-one basis, effective September 30, 2018; or (ii) if Artis determines that less than 500,000 Series F Units would be issued based upon the elections of holders, then holders of Series E Units shall not be entitled to reclassify their Series E Units into Series F Units.

As at the date hereof, there are an aggregate of 4,000,000 Series E Units issued and outstanding.

The Series E Units are issued in “book entry only” form and must be purchased or transferred through a participant in the CDS depository service (each, a “CDS Participant”). All rights of holders of Series E Units must be exercised through CDS or the CDS Participant through which the Series E Units are

held. The deadline for the registered holder of Series E Units to provide notice of exercise of the right to reclassify Series E Units into Series F Units is 5:00 p.m. (Toronto time) on September 17, 2018. Any notices received after this deadline will not be valid. As such, holders of Series E Units who wish to exercise their right to reclassify their Series E Units into Series F Units should contact their broker or intermediary for more information and it is recommended that this be done well in advance of the deadline in order to provide the broker or other intermediary with time to complete the necessary steps.

If Artis does not receive an election notice from a holder of Series E Units during the time fixed therefor, then the Series E Units shall be deemed not to have been reclassified (other than pursuant to an automatic reclassification). Holders of Series E Units and Series F Units will have the opportunity to reclassify their units again on September 30, 2023, and every five years thereafter as long as such units remain outstanding.

The Toronto Stock Exchange (TSX) has conditionally approved the listing of the Series F Units effective upon reclassification. Listing of the Series F Units is subject to Artis fulfilling all the listing requirements of the TSX.

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Artis is a diversified Canadian real estate investment trust investing in office, retail and industrial properties. 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 June 30, 2018, Artis' commercial property comprises approximately 24.5 million square feet of leasable area.

During the three months ended June 30, 2018, Property Net Operating Income ("Property NOI") by asset class, including Artis' proportionate share of properties held in joint venture arrangements, was approximately 53.1% office, 20.6% retail and 26.3% industrial. Property NOI by geographical region, including Artis' proportionate share of properties held in joint venture arrangements, was approximately 4.2% in British Columbia, 21.6% in Alberta, 6.1% in Saskatchewan, 13.2% in Manitoba, 11.3% in Ontario, 8.7% in Arizona, 18.4% in Minnesota, 9.1% in Wisconsin and 7.4% in U.S. – Other.

Property NOI is a non-GAAP measure. 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 or other expenses not specific to the day-to-day operation of the REIT's properties.

This news release contains certain information that is forward-looking and is subject to important risks and uncertainties (such statements are usually accompanied by words such as "may", "will", "should", "estimate", "intend" or similar words). Specifically, this news release contains forward-looking information with respect to Artis, the Series E Units and the Series F Units. All forward-looking information reflects Artis' belief and assumptions based on information available at the time the statements were made and as such are not guarantees of future performance. Readers are cautioned not to place undue reliance on forward-looking information, which is given as of the date hereof. Artis undertakes no obligation to update or revise any forward-looking information, except as required by law. For additional information on the assumptions made, and the risks and uncertainties which could cause actual results to differ from those in forward-looking information, refer to Artis' annual information form and most recent management discussion and analysis filed under Artis' profile on SEDAR at [www.sedar.com](http://www.sedar.com).

For further information, please contact Mr. Armin Martens, President and Chief Executive Officer, Mr. Jim Green, Chief Financial Officer or Ms. Heather Nikkel, Vice-President – 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.*

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AX.UN on the TSX