

Artis Real Estate Investment Trust

Investor Presentation Q2 - 13

AX.UN AX.PR.A AX.PR.U AX.PR.E AX.PR.G AX.DB.F AX.DB.U





Max at Kierland – Phoenix, AZ

Humana Building – Phoenix, AZ



Stampede Station – Calgary, AB



PROPERTIES OF SUCCESS



UNIQUE FOUR PART STRATEGY

1. GEOGRAPHIC FOCUS

Canadian and select U.S. markets, with a major concentration in western Canada

2. PRODUCT FOCUS

Commercial real estate only

- Industrial
- Office
- Retail

3. EXTERNAL GROWTH

Accretive acquisitions in our target market

4. INTERNAL GROWTH

Results driven active asset management

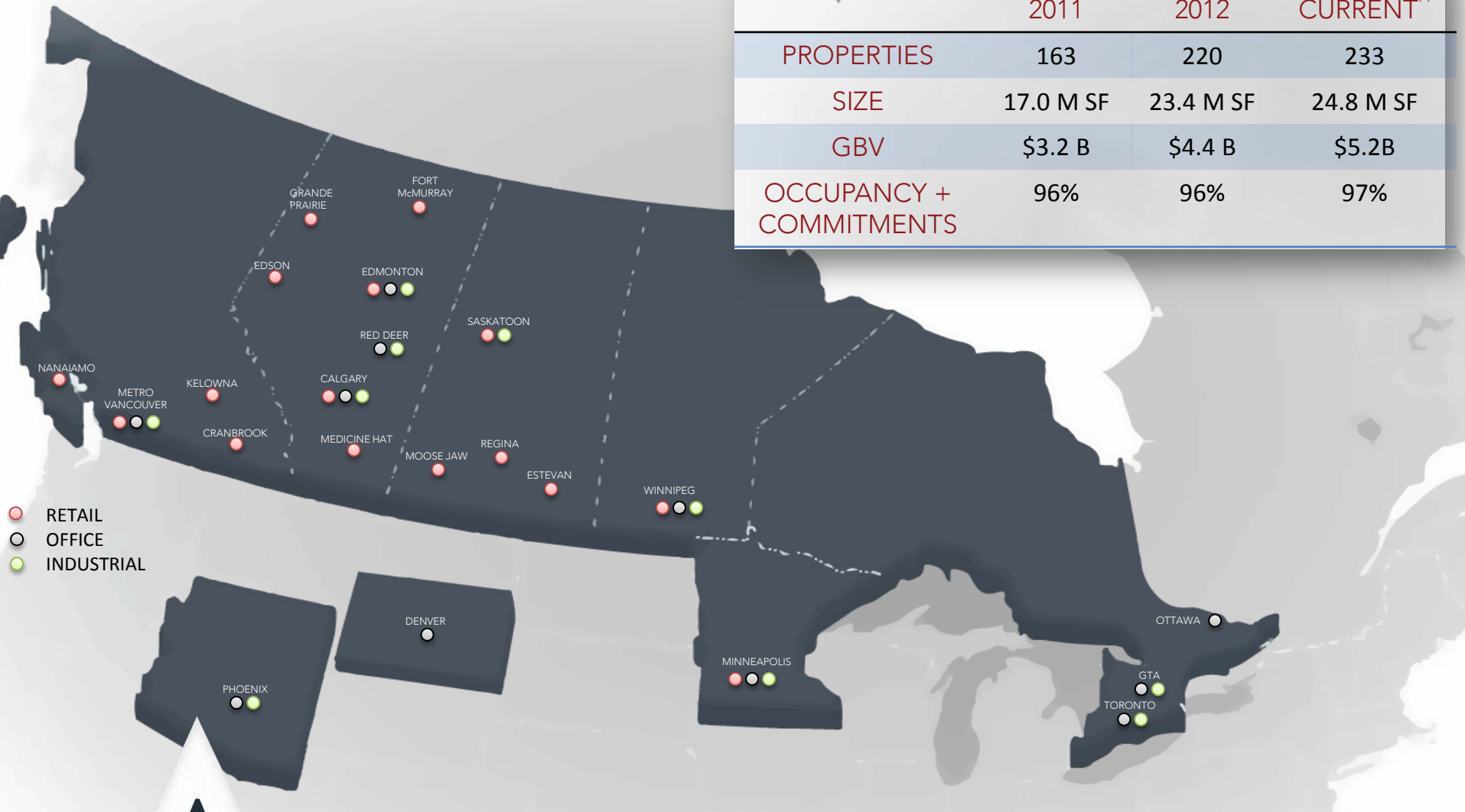
- Positive leasing activity
- Intensification & value-added projects
- New developments



Trimac House – Calgary, AB



PORTFOLIO OVERVIEW



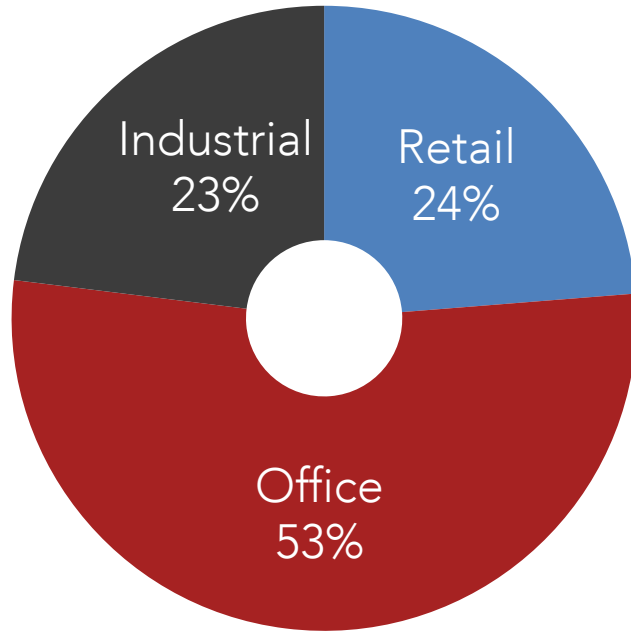
	2011	2012	CURRENT ⁽¹⁾
PROPERTIES	163	220	233
SIZE	17.0 M SF	23.4 M SF	24.8 M SF
GBV	\$3.2 B	\$4.4 B	\$5.2B
OCCUPANCY + COMMITMENTS	96%	96%	97%

(1) Portfolio Assets as at June 30, 2013, adjusted for acquisitions announced or completed at August 8, 2013, Gross Book Value ("GBV") as at June 30, 2013, adjusted for transactions announced or completed at August 8, 2013. Occupancy excludes properties in redevelopment.

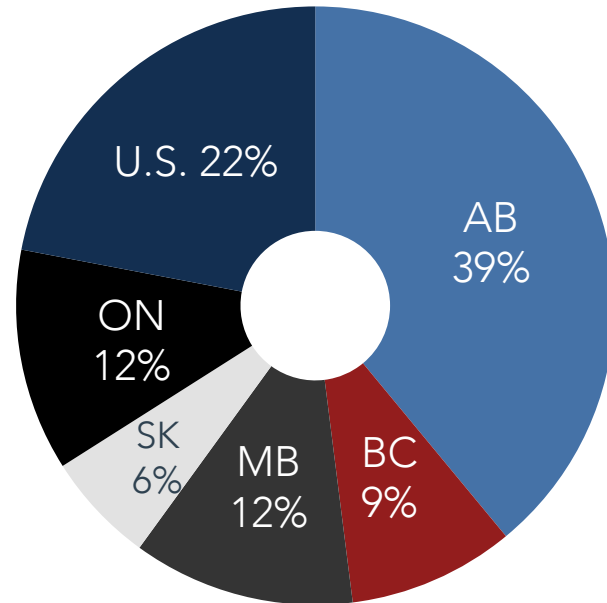


PORTFOLIO NOI SUMMARY⁽¹⁾

ASSET CLASS DIVERSIFICATION



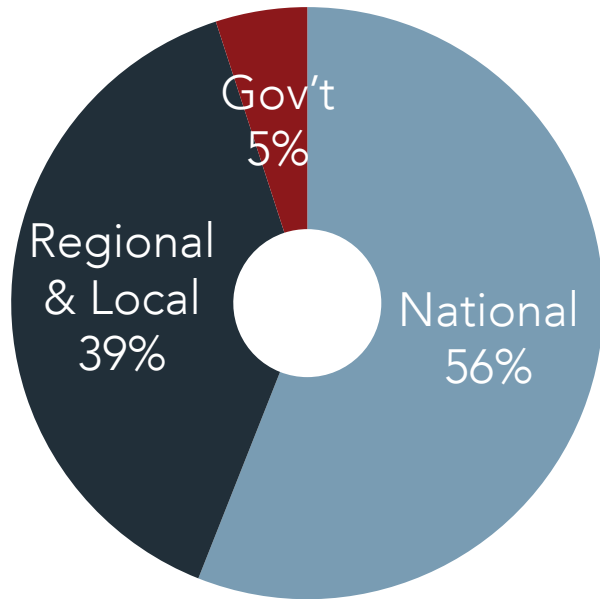
GEOGRAPHICAL DIVERSIFICATION



⁽¹⁾ Portfolio Assets as at June 30, 2013, adjusted for acquisitions announced or completed at August 8, 2013.

TENANT DIVERSIFICATION⁽¹⁾

OVER 60% OF ARTIS' TENANTS ARE GOVERNMENT OR NATIONAL



ARTIS' TOP 20 TENANTS ACCOUNT FOR 18.5% OF GROSS REVENUE AND HAVE A 6.9 YEAR WEIGHTED-AVERAGE LEASE TERM

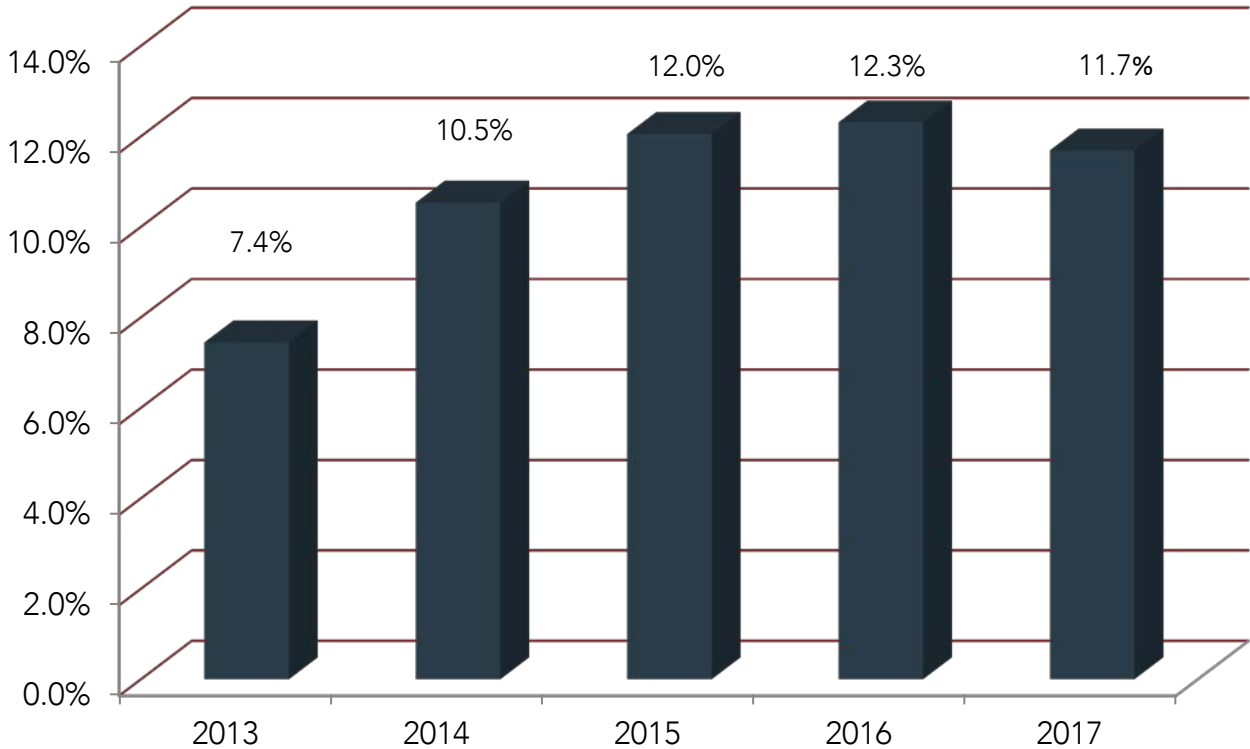


⁽¹⁾ Portfolio Assets as at June 30, 2013, adjusted for acquisitions announced or completed at August 8, 2013.



LEASE EXPIRATION SCHEDULE⁽¹⁾

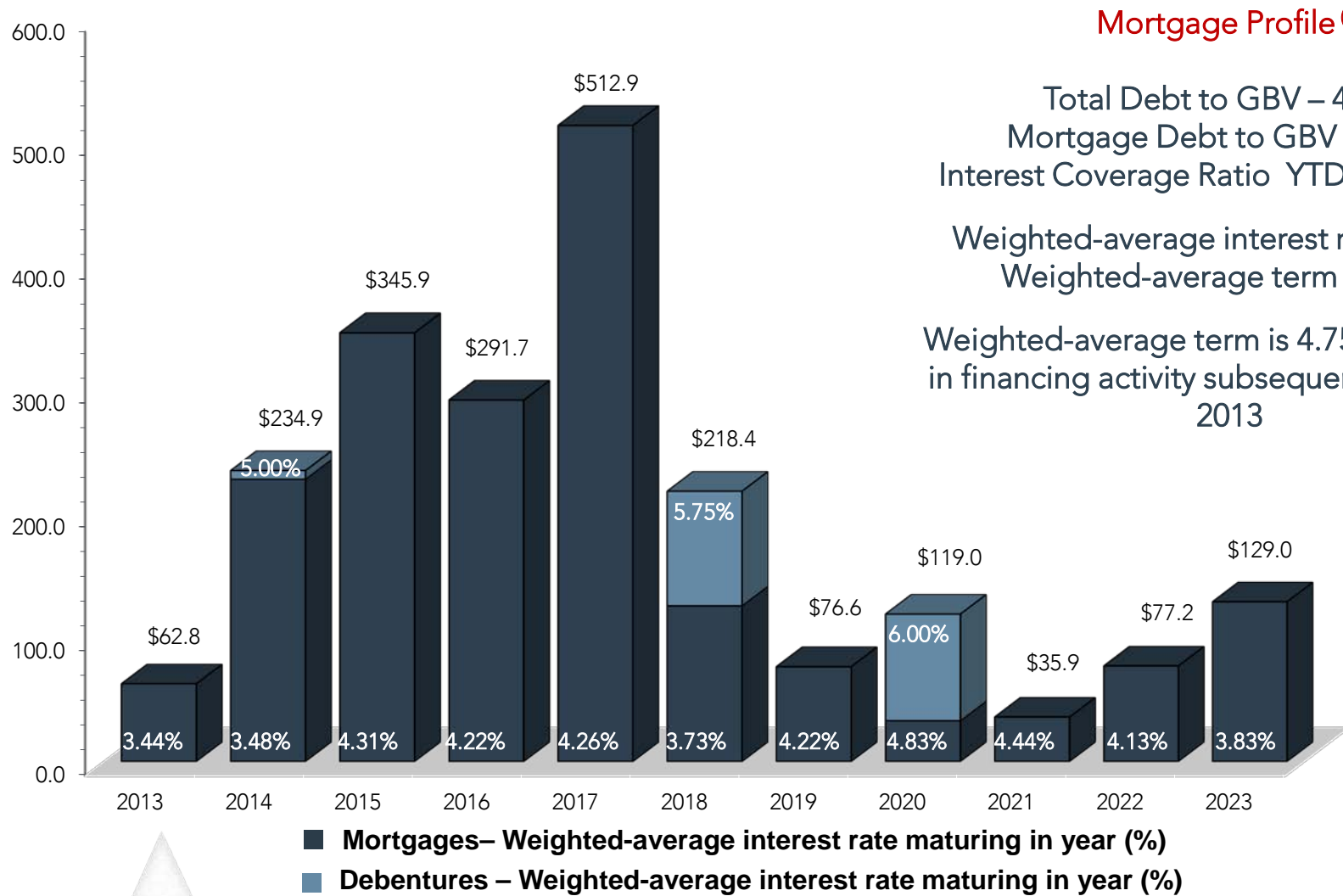
95% of 2013 and 28% of 2014 expiries have been dealt with
Weighted-average rental increase on renewals in Q2 -13 was 10.0%
Q2-13 Same Property NOI growth was 3.1% over Q2-12



⁽¹⁾ Portfolio Assets as at June 30, 2013, adjusted for acquisitions announced or completed at August 8, 2013.



SCHEDULE OF UPCOMING MORTGAGES MATURING



⁽¹⁾ As at June 30, 2013



LEVERAGE PROFILE

Leverage Profile for the fiscal quarter ending:

	June 30 2012	Sept 30 2012	Dec 31 2012	Mar 31 2013	June 30 2013
Debt: GBV	54.5%	52.4%	51.5%	50.2 %	49.2 %
Debt excl. convert. debentures: GBV	49.2%	48.0%	47.3%	46.1%	45.4%
Net debt: EV	52.7%	49.8%	52.3%	49.8%	52.2%
Unencumbered assets (in 000's)	\$213,148	\$99,243	\$138,778	\$174,427	\$265,338
EBITDA interest coverage	2.41	2.54	2.64	2.89	2.84

Liquidity at August 14, 2013:

Cash and cash equivalents (in 000's) \$98,842

Availability on credit facility \$80,000



DBRS INVESTMENT GRADE RATING

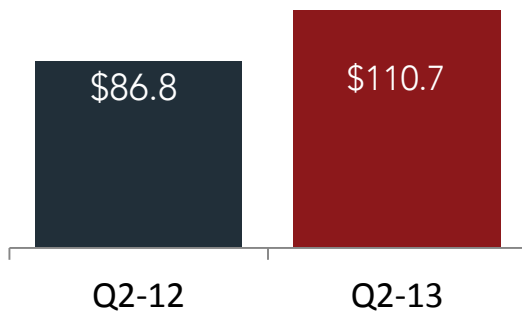
DBRS highlighted Artis' strengths as being a reasonably scaled REIT with a mid-size portfolio that continues to improve in quality with new property additions; as well as having a well-diversified portfolio by asset type and geography; a diverse tenant roster including a number of government and other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



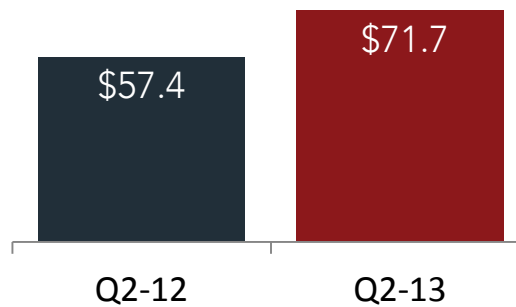
SELECTED FINANCIAL INFORMATION



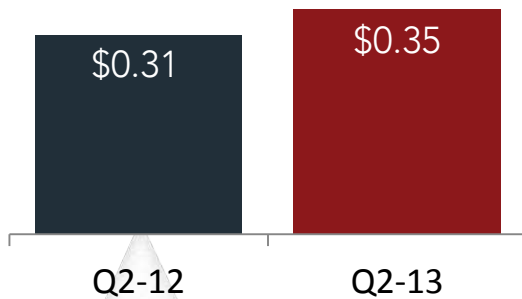
Revenues (\$millions)



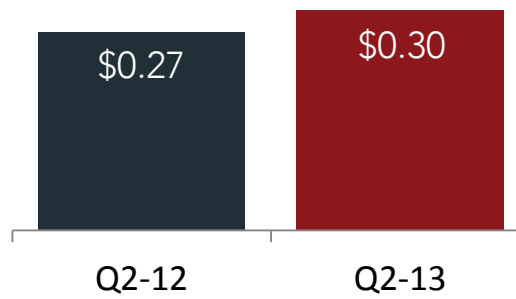
Property NOI (\$millions)



FFO/Unit



AFFO/Unit



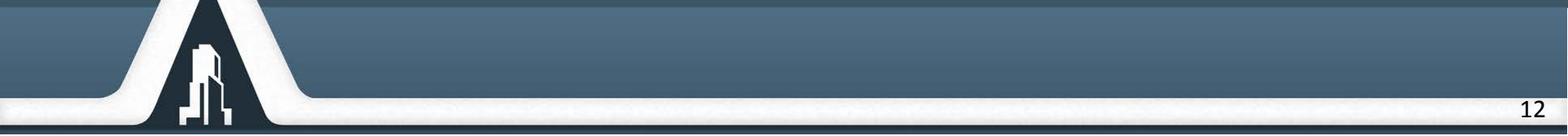
AFFO PAY-OUT
RATIO 96% → 86%
year-over-year



INTERNAL GROWTH STRATEGY



\$200 M
DEVELOPMENT
PIPELINE



EXTERNAL GROWTH STRATEGY



**\$1B OF ACQUISITIONS
IN 2012;
\$530M OF ACQUISITIONS
TO DATE IN 2013⁽¹⁾**



⁽¹⁾ Estimated based on portfolio assets as at June 30, 2013, adjusted for acquisitions announced or completed at August 8, 2013.



EXTERNAL GROWTH STRATEGY

North Scottsdale Corporate Center II Phoenix, AZ

Acquisition expected to close on September 10, 2013

GLA SQFT	Purchase Price (\$m)	Cap Rate	Mortgage Information ⁽¹⁾		
			Amount (\$m)	Interest Rate	Term (years)
152,629	US\$38.6	6.5%	US\$21.2	3.48%	5 + 2x1

Occupancy	Key Tenants
94.6%	Various tenants with several rent increases including Choice Hotels International, Axway, IPRO Tech



(1) Mortgage estimate based on fixed mortgage at 5 year FTP rate (at July 12, 2013) + 160 bps



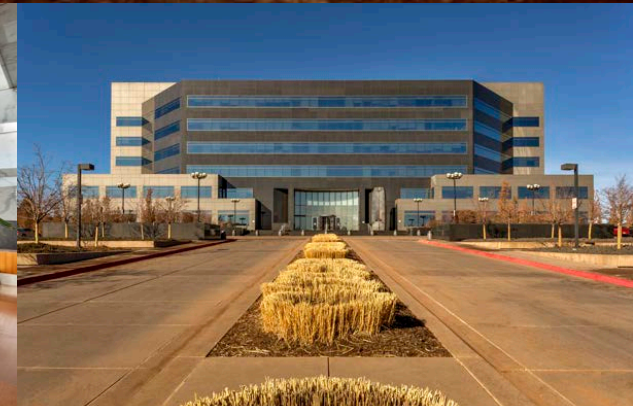
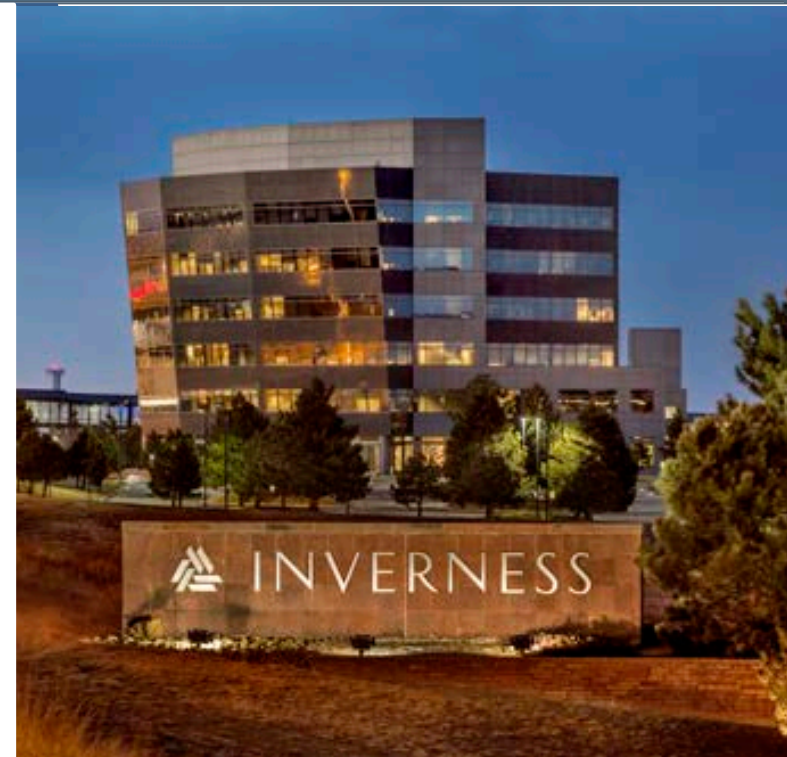
EXTERNAL GROWTH STRATEGY

161 Inverness

Denver, CO

Acquisition closed on July 31, 2013

GLA SQFT	Purchase Price (\$m)	Capitalization Rate	Mortgage Information		
			Amount (\$m)	Interest Rate	Term (years)
256,767	US\$71.0	6.0%	US\$39.1	3.96%	7+1x3
Occupancy	Key Tenants				
100%	DirecTV has a lease that expires in 2025 with annual rent increases of 2.1%				



EXTERNAL GROWTH STRATEGY

Oakdale Village Minneapolis, MN

Acquisition closed on June 10, 2013

GLA SQFT	Purchase Price (\$m)	Capitalization Rate	Mortgage Information		
			Amount (\$m)	Interest Rate (floating)	Term (years)
164,860	US\$34.0	7.75%	US\$20.4	2.8% ⁽¹⁾	7.5 + 1x2.5

Occupancy	Key Tenants
98.3%	Best Buy, Sports Authority, Buffalo Wild Wings



⁽¹⁾ 3-year interest rate swap



EXTERNAL GROWTH STRATEGY

1700 Broadway

Denver, CO

Acquisition closed on May 22, 2013

GLA SQFT	Purchase Price (\$m)	Capitalization Rate	Mortgage Information		
			Amount (\$m)	Interest Rate	Term (years)
197,076	US\$49.0	7.25%	US\$24.5	3.11%	10
Occupancy		Key Tenants			
95.0%		Whiting Oil & Gas, Ensign US Drilling, Secretary of State			



Quarry Park Portfolio

Calgary, AB

Acquisition closed on May 15, 2013

GLA SQFT	Purchase Price (\$m)	Capitalization Rate	Mortgage Information		
			Amount (\$m)	Interest Rate	Term (years)
282,327	\$154.8	5.9%	\$81.4	3.54%	8
Occupancy		Key Tenants			
100.0%		Alberta Health Services, Telvent, Stantec			



DISCIPLINED U.S. PORTFOLIO STRATEGY

“ A Window of Opportunity ... Closing Soon?... Maybe Not”

Total weighting of U.S. properties in Artis' portfolio will be limited to no more than 30% of NOI.

This limit was recently increased from 20% of NOI for the following reasons:

- Outlook for U.S. economy, real estate fundamentals, and U.S. dollar is strong
- Unlevered yield will be accretive, and higher than for a comparable property in Canada
 - Price per square foot will be lower
 - Low interest, conventional mortgage financing will be available
 - Quality local third party property management will be available
- Property will be “new generation”, reducing the average age of Artis' overall portfolio
- The tenant credit and lease expiry profile for the property will be more conservative than that of a comparable property in Canada, thus improving the credit profile of Artis' overall portfolio

Minnesota: 30 Industrial, 6 Retail, 3 Office

Arizona: 5 Office, 2 Industrial

Colorado: 2 Office



605 Waterford – MSP



Two MarketPointe – MSP



Max at Kierland - PHX



ARTIS REIT PROGRESS HIGHLIGHTS

	December 31, 2010	December 31, 2011	December 31, 2012	June 30, 2013
Properties	133	163	220	233
GLA (SQFT)	12.6 M	17.0 M	23.4 M	24.8 M
GBV	\$2.2B	\$3.2B	\$4.4B	\$4.9B
FFOPU	\$1.20	\$1.21	\$1.30	\$0.73
Closing Unit Price	\$13.21	\$13.99	\$15.64	\$15.11
Market Cap	\$1.0B	\$1.2B	\$1.8B	\$1.9B
Enterprise Value	\$2.3B	\$3.0B	\$4.2B	\$4.6B

*Greater Diversification * TSX Index Inclusion * DBRS Institutional Quality Rating *Internalization of Property / Asset Management *Preferred Unit Offering



ARTIS REIT PROGRESS HIGHLIGHTS⁽¹⁾



August 8, 2013

Unit Price \$14.32

Consensus NAV \$16.90

Consensus Target Price \$17.40

Implied Cap Rate 6.9%

Distribution Per Unit \$1.08

Distribution Yield 7.5%

Market Cap \$1.8B

Enterprise Value \$4.7B

Consensus	2013		2014	
	FFO	AFFO	FFO	AFFO
Per Unit	\$1.43	\$1.22	\$1.46	\$1.26
Pay-Out Ratio	75.7%	88.8%	73.7%	85.8%
Yield Per Unit	10.0%	8.5%	10.2%	8.8%
Unit Price Multiple	10.0x	12.2x	9.8x	11.7x

August 2, 2013 – AX.UN trades at \$14.16
 Forbes reports “Oversold Condition for Artis
 Real Estate Investment Trust”

(1) Consensus analyst projections from most recent research reports. Artis does not endorse analyst projections. The above information represents the views of the particular analyst and not necessarily those of Artis. An investor should review the entire report of the analyst prior to making any investment decisions.





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Western Region



Frank Sherlock
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Dennis Wong
SVP, Asset Management
Western Region



SENIOR MANAGEMENT TEAM



DIVERSIFICATION
VALUE CREATION
GROWTH



PROPERTIES OF SUCCESS

FORWARD-LOOKING STATEMENTS

This presentation may contain 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. All forward-looking statements in this presentation are made as of May 10, 2013. Although the forward-looking statements contained or incorporated by reference herein are based upon what management believes to be reasonable assumptions, Artis cannot assure investors that actual results will be consistent with these 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 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 presentation are qualified by this cautionary statement.

Additional information about Artis, including risks and uncertainties that could actual results to differ from those implied or inferred from any forward-looking statements in this presentation, are contained in our various securities filings, including our current Annual Information Form, as well as our quarterly earnings press release dated May 7, 2013, our interim financial statements and Management's Discussion and Analysis for our periods ending March 31, 2013, and our 2012 Annual Report, all of which are available on SEDAR at www.sedar.com or on our company web site at www.artisreit.com.

