



FOR IMMEDIATE RELEASE

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ARTIS RELEASES FOURTH QUARTER AND 2010 RESULTS; Q4-10 FFO INCREASES 76.1% OVER Q4-09 FFO

Today Artis Real Estate Investment Trust ("Artis" or "the REIT") issued its financial results and achievements for the three month and twelve month periods ended December 31, 2010.

2010 ANNUAL HIGHLIGHTS

- ◆ Reached gross book value of assets of \$2.39 billion at December 31, 2010.
- ◆ Acquired a total of 37 commercial properties in 2010 for aggregate gross proceeds of \$885.3 million. Portfolio increased to 133 income-producing properties comprising approximately 12.6 million square feet of leasable area at December 31, 2010.
- ◆ Expanded our geographic focus from western Canada into new markets in eastern Canada, as well as select markets in the United States.
- ◆ Raised \$405.0 million of equity pursuant to prospectus offerings of new units at an average unit price of \$11.93.
- ◆ Raised \$86.3 million pursuant to an offering of 10-year Series F convertible debentures bearing interest at a rate of 6.0% per annum.
- ◆ Retired \$20.5 million of vendor take-back loans.
- ◆ Repaid \$30.7 million drawn on the line of credit and subsequently replaced the line of credit with a new \$60.0 million revolving term credit facility. The one-year credit facility, which matures September 28, 2011, provides for an additional one-year renewal term, at the option of the REIT.
- ◆ Increased Q4-10 revenues by 72.1% to \$60.7 million compared to Q4-09; increased year-over-year revenue by 40.0% to \$191.6 million.
- ◆ Increased Q4-10 Property NOI by 66.6% to \$39.4 million compared to Q4-09; increased year-over-year Property NOI by 38.7% to \$129.5 million.
- ◆ Increased Q4-10 Same Property NOI by 1.4% compared to Q4-09; increased year-over-year Same Property NOI by 3.5%.
- ◆ Increased Q4-10 FFO by 76.1% to \$21.1 million compared to Q4-09; increased year-over-year FFO by 30.3% to \$68.2 million.
- ◆ Reported Mortgage debt to gross book value ("GBV") of 48.7% at December 31, 2010, compared to 47.4% at December 31, 2009.
- ◆ Reported Interest coverage ratio of 2.24 for the year ended December 31, 2010, compared to 2.22 for the year ended December 31, 2009.
- ◆ Reported portfolio occupancy of 96.0% (97.2% including committed space) at December 31, 2010, compared to 96.6% at December 31, 2009.
- ◆ Met criteria for inclusion in the TSX REIT index; inclusion on September 20, 2010.
- ◆ Continued to meet the prescribed conditions for status as a tax-exempt Canadian real estate investment trust.

SELECTED FINANCIAL INFORMATION

\$000's, except per unit amounts	Three month period ended December 31,		Year ended December 31,	
	2010	2009	2010	2009
Revenue	\$ 60,667	\$ 35,243	\$ 191,561	\$ 136,853
Property NOI	39,416	23,653	129,529	93,363
DI ⁽¹⁾	20,407	11,706	66,223	50,690
FFO ⁽¹⁾	21,124	11,998	68,218	52,353
DI per unit (basic) ⁽¹⁾	0.28	0.32	1.16	1.48
FFO per unit (basic) ⁽¹⁾	0.29	0.32	1.20	1.53
Distributions	0.27	0.27	1.08	1.08
FFO payout ratio	93.1%	84.4%	90.0%	70.6%

(1) Excluding foreign currency translation impact

\$000's	December 31, 2010	December 31, 2009
Total assets	\$ 2,149,938	\$ 1,190,209
GBV	2,388,700	1,356,994
Mortgages, loans and bank indebtedness	1,164,092	642,963
Debt to GBV	48.7%	47.4%

"2010 was a milestone year for Artis," said Armin Martens, CEO of Artis REIT. "Our reported assets crossed the \$2.1 billion mark and our leasable area under management exceeded 12.5 million square feet. Our unit trading price moved up from the \$9.00 range to over \$13.00 pushing our market capitalization over the \$1.0 Billion mark, which, in turn, led to inclusion in the TSX/S&P Index. We also expanded our focus from our core western Canadian target market into new markets in eastern Canada, as well as select markets in the United States".

Financing Activities

In order to finance its active acquisition program, Artis closed a number of successful equity and debenture financings throughout the course of 2010. Artis realized \$405.0 million of gross proceeds from the issuance of 33,953,750 new units pursuant to prospectus offerings filed throughout the course of the year. New units were issued at \$11.00, \$11.25, \$12.20 and \$13.45 per unit; the average price for the newly issued units was \$11.93. In addition, Artis realized gross proceeds of \$86.3 million pursuant to an offering of 10-year Series F convertible debentures bearing interest at a rate of 6.0% per annum.

During 2010, Artis repaid \$20,542 million of mortgages or vendor take-back loans maturing on properties, repaid the \$30,700 million balance on its line of credit and refinanced \$17,094 million of mortgages maturing in the year. The weighted-average interest rate on the maturing mortgages was 5.02%; the weighted-average interest rate on the refinanced mortgages was 4.23%.

Portfolio Acquisition and Disposition Activity

During 2010, Artis acquired 37 properties, as follows:

Property	Location	Asset Class	Leasable Area (in square feet)	Acquisition Date
Westbank Zellers ⁽¹⁾	Westbank / West Kelowna, British Columbia	Retail	105,670	January 14, 2010
Maple Leaf Building	Saskatoon, Saskatchewan	Industrial	163,418	January 29, 2010
Sherwood Centre	Edmonton, Alberta	Industrial	162,860	January 29, 2010
Alberta Industrial Portfolio ⁽²⁾	Edmonton, Acheson and	Industrial	811,307	March 30, 2010

	Calgary, Alberta			
Westbank Hub Centre North ⁽¹⁾⁽³⁾	Westbank / West Kelowna, British Columbia	Retail	124,862	March 31, 2010
Sunrise Towne Square	Spruce Grove, Alberta	Retail	111,995	April 1, 2010
Visions Building	Calgary, Alberta	Retail	50,045	April 12, 2010
Tamarack Centre	Cranbrook, British Columbia	Retail	290,294	April 15, 2010
Eagle Ridge Corner	Fort McMurray, Alberta	Retail	12,654	May 14, 2010
Production Court	Burnaby, British Columbia	Office	297,801	May 26, 2010
Grande Prairie Power Centre	Grande Prairie, Alberta	Retail	140,207	June 15, 2010
DSI Building	Minneapolis, Minnesota	Office	115,666	June 30, 2010
Winnipeg Square / 360 Main Street ⁽⁴⁾	Winnipeg, Manitoba	Office	602,136	June 30, 2010
Uplands Common	Lethbridge, Alberta	Retail	53,392	August 13, 2010
1045 Howe Street	Vancouver, British Columbia	Office	101,146	September 13, 2010
Pembina Village Shopping Centre	Winnipeg, Manitoba	Retail	131,259	September 30, 2010
St. Vital Square	Winnipeg, Manitoba	Retail	116,353	September 30, 2010
Cancross Court	Mississauga, Ontario	Office	143,877	October 1, 2010
Meadowvale Building	Mississauga, Ontario	Office	98,869	October 15, 2010
Horizon II Building	Calgary, Alberta	Industrial	95,542	October 15, 2010
Letourneau Centre	Edmonton, Alberta	Industrial	97,743	October 15, 2010
Furniture Pluss Building	Fort McMurray, Alberta	Retail	21,490	October 20, 2010
Caterpillar Building	Minneapolis, Minnesota	Industrial	174,901	October 22, 2010
Minneapolis Industrial Portfolio ⁽⁵⁾	Minneapolis, Minnesota	Industrial	776,925	October 29, 2010
Dunwin Portfolio	Mississauga, Ontario	Industrial	157,531	November 12, 2010
Humana Building	Phoenix, Arizona	Office	106,418	November 18, 2010
Concorde Corporate Centre	Toronto, Ontario	Office	545,503	December 1, 2010
Poco Place	Vancouver, British Columbia	Office	163,844	December 22, 2010
Hartford Corporate Plaza	New Hartford, New York	Office	122,760	December 30, 2010
Mosaic Office Building	Tampa, Florida	Office	107,463	December 30, 2010

⁽¹⁾ The REIT acquired a leasehold interest in these properties.

⁽²⁾ The Alberta Industrial Portfolio is comprised of 2 single-tenant and 2 multi-tenant properties.

⁽³⁾ The REIT acquired a 50% interest in this property, which is proportionately consolidated in the accounts of the REIT.

⁽⁴⁾ The REIT acquired the remaining 62% interest in this property, and also acquired the ancillary parkade on April 30, 2010.

⁽⁵⁾ The Minneapolis Industrial portfolio represents the closing of the first 6 properties. The REIT has previously announced the purchase of the remaining 17 properties in this portfolio in 2011.

Artis acquired these commercial properties in Canada and the United States (the "U.S.") for aggregate proceeds of \$885.3 million, which represented a weighted-average capitalization rate of 7.8%. The purchase prices were settled with cash on hand and from the proceeds of new or assumed mortgage financing. The weighted-average interest rate on the financings was 4.5% and the average term to maturity was 6.27.

"2010 was a robust year for acquisitions by Artis, and expansion into the U.S. was a significant part of that story," said Mr. Martens. "There were tremendous opportunities in the U.S. to acquire new, high quality, real estate assets at yields significantly better than those available for comparable product anywhere in Canada, and given the strength of the lending market, at spreads difficult to find in other markets. Our new U.S. assets are in many cases 100% leased to solid Fortune 500 companies, on long-term leases with escalations in place. Leveraging off our existing relationships with reputable local property management teams, we are confident these U.S. acquisitions will be solid performers for us for many years to come."

U.S. Investment Strategy

To date, approximately 6.0% of Artis portfolio weighting is in the United States. Historically, commercial real estate in the U.S. has been more expensive and offered lower unlevered yields than similar property in Canada. This has now changed, and Canadian investors are able to acquire quality U.S. properties at relatively higher yields than in Canada.

Artis' management believes that this window of opportunity will not be open for long and has adopted a disciplined approach in pursuing U.S. acquisitions while the opportunity exists, as follows:

- ◆ total weighting of U.S. properties in Artis' portfolio will not exceed 20%;
- ◆ unlevered yield will be accretive, and higher than that available for a comparable property in Canada;
- ◆ 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; and
- ◆ 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.

Liquidity and Capital Resources

At December 31, 2010, Artis had \$88.3 million of cash and cash equivalents on hand, \$11.2 million in equity investments and \$52.0 million available on the revolving term credit facility.

At December 31, 2010, the ratio of mortgages, loans and bank indebtedness to GBV was 48.7%. The increase from 47.4% at December 31, 2009 is attributable to a slightly higher leverage ratio overall on the acquisitions that closed during 2010, offset by repayments of mortgage and line of credit obligations in the year. The ratio is well within the 70.0% limit set out in the REIT's Amended and Restated Declaration of Trust. Including the convertible debentures, the ratio is 54.4% at December 31, 2010, increased from 53.7% at December 31, 2009. The issuance of the Series F convertible debentures in the year was the primary driver for the increase; this was partially offset by the retirement of Series A and Series B debentures as well as Series C debenture conversions during the year.

Liquidity and capital resources will be impacted by financings and portfolio acquisition activities occurring subsequent to December 31, 2010.

Operational Improvements and Internal Growth

Portfolio occupancy at December 31, 2010 remained strong at 96.0% (97.2% including commitments on vacant space). Occupancy was 96.6% at September 30, 2010, and 96.6% at December 31, 2009. Artis acquired a number of properties with occupancy levels less than same-property occupancy levels; this was the largest contributing factor to the lower reported occupancy at December 31, 2010. Of the 285,121 square feet undergoing redevelopment at December 31, 2010, lease commitments are in place for 54.1% of the leasable area, compared to 54.9% at September 30, 2010.

Excluding GAAP adjustments for straight-line rent and above- and below-market rent adjustments, Same Property NOI results for Q4-10 increased 1.4% over Q4-09 results and year-to-date Same Property NOI increased 3.5% over 2009 results.

In Q4-10, Artis leased or renewed 510,148 square feet of leasable area at a weighted-average rate of \$14.86, realizing a weighted-average rate increase of 11.0%. The weighted-average rate increase on renewals only in Q4-10 was 4.0%. Year-to-date, the weighted-average growth rate on leasing activity was 5.2% and the rate increase on renewals only was 4.9%. Tenant retention in 2010 was 79.4%.

Considering all properties owned at December 31, 2010, 15.5% of the portfolio's leasable area is set to expire in 2011 and 8.4% in 2012. As of today's date, 35.7% of the 2011 and 11.2% of the 2012 leasing programs have been completed. Tenant retention thus far is 77.8% and a weighted average rental increase of 3.7% has been achieved on renewals.

Artis' management reviews the current market rents across its portfolio on an on-going basis. Management estimates that the weighted-average in-place rents for leases expiring in 2011 and 2012 are approximately at market. Across the portfolio, in-place rents at expiry are estimated to be 3.3% below today's market.

Portfolio Leasing and Tenant Profile

Considering all properties owned at December 31, 2010, Artis' portfolio includes over 1,783 tenant leases with a weighted-average term to maturity of 5.7 years. Approximately 65.0% of the REIT's GLA is occupied by national or government tenants. The top twenty non-government tenants account for 19.5% of the portfolio's gross revenues at December 31, 2010, with a weighted-average lease term to maturity of 9.8 years. The largest single tenant in the portfolio accounts for 3.5% of gross revenues.

Upcoming Webcast and Conference Call:

Interested parties are invited to participate in a conference call with management the following day: Thursday, March 3, 2011 at 3:00 p.m. CST (4:00 p.m. EST). In order to participate, please dial 1-416-340-8527 or 1-877-440-9795. 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/areit_investor.php. Prior to the webcast, you may follow the link to confirm you have the right software and system requirements.

If you cannot participate on March 3, 2011, a replay of the conference call will be available by dialing 1-905-694-9451 or 1-800-408-3053 and entering passcode #1462844. The replay will be available until March 17, 2011. 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 over 12.7 million square feet of leasable area in 136 properties. Leasable area by asset class is approximately 26.3% retail, 34.6% office, and 39.1% industrial. The portfolio is located 12.8% in B.C., 37.6% in Alberta, 5.1% in Saskatchewan, 25.9% in Manitoba, 7.5% in Ontario, and 11.1% in the U.S.

Non-GAAP Performance Measures

DI, Property NOI and FFO are non GAAP measures commonly used by Canadian income trusts as an indicator of financial performance. Management uses DI, Property NOI and FFO to analyze operating performance. DI, Property NOI and FFO may not be comparable to similar measures presented by other issuers. DI, Property NOI and FFO are not intended to represent operating profits for the period or from a property nor should any such measure be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP.

Cautionary Statements

The comments and highlights herein should be read in conjunction with the consolidated financial statements and management's discussion and analysis for the same period. These documents are available on the SEDAR website at www.sedar.com. They are also posted on the Artis web site at www.artisreit.com.

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. 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. 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.