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JUNE 25, 2009

**ARTIS REIT ANNOUNCES \$40 MILLION CONVERTIBLE DEBENTURE
OFFERING**

Artis Real Estate Investment Trust ("Artis" or the "REIT") (TSX: AX.UN) is pleased to announce that in connection with the proposed public offering (the "Offering") of convertible unsecured subordinated debentures previously announced on June 24, 2009, it has entered into an agreement with a syndicate of underwriters led by Canaccord Capital Corporation and CIBC World Markets Inc. and including BMO Capital Markets, National Bank Financial Inc., RBC Capital Markets, Scotia Capital Inc., TD Securities Inc., Blackmont Capital Inc., Desjardins Securities Inc., Macquarie Capital Markets Canada Ltd. and Brookfield Financial Corp. (collectively, the "Underwriters") for the purchase by the Underwriters of \$40,000,000 aggregate principal amount of Series E convertible unsecured subordinated debentures (the "Series E Debentures").

The Series E Debentures will bear interest at a rate of 7.50% per annum and will be payable semi-annually on June 30 and December 31 until maturity on June 30, 2014. The first interest payment date will be December 31, 2009. The Series E Debentures will be convertible at the option of the holder into trust units ("Units") of Artis at any time prior to maturity at a conversion price equal to \$9.30 per Unit (the "Conversion Price"). The Series E Debentures will not be redeemable by Artis prior to June 30, 2012. On or after June 30, 2012, but prior to June 30, 2013, the Series E Debentures will be redeemable, in whole or in part, at a price equal to the principal amount plus accrued interest, at Artis' option on a minimum of 30 days notice, provided that the weighted average trading price of the Units is not less than 125% of the Conversion Price. On and after June 30, 2013, the Series E Debentures will be redeemable, in whole or in part, at a price equal to the principal amount plus accrued interest, at Artis' option on a minimum of 30 days notice. The payment of principal and interest on the Series E Debentures will have priority on payment of distributions on Units, but will be subordinate in right of payment of senior indebtedness of Artis. The Series E Debentures will rank pari passu in right of payment with Artis' other convertible debentures.

Artis has granted the Underwriters an over-allotment option to purchase up to an additional \$6,000,000 principal amount of Series E Debentures, exercisable at any time up to 30 days from the closing of the Offering.

Artis intends to use the net proceeds from the Offering to repay certain indebtedness and for working capital purposes. Once these funds have been deployed, Artis will have approximately \$11.4 million of mortgage principal maturing in 2009 and \$58.4 million in 2010, representing 12 mortgages. Artis expects to have approximately \$90 million of unencumbered properties available as security for the existing or a new acquisition line of credit.

A preliminary short-form prospectus for the Offering was previously filed with the securities commissions in each of the provinces of Canada. An amended and restated preliminary short-form prospectus is expected to be filed with each of the Canadian securities commissions as soon as possible.

The Offering is expected to close on or about July 9, 2009. A copy of the amended and restated Preliminary Prospectus will be available on SEDAR at www.sedar.com or by contacting Canaccord Capital Corporation, 161 Bay Street, Suite 3000, P.O. Box 516, Toronto, ON, M5J 2S1 or CIBC World Markets Inc., 161 Bay Street, 6th floor, Toronto, ON, M5J 2S8.

The Series E Debentures and the underlying Units have not been and will not be registered under the United States Securities Act of 1933 and accordingly will not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, except pursuant to applicable exemptions from the registration requirements. The offering is subject to normal regulatory approvals including approval of the Toronto Stock Exchange.

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.

Artis is a growth oriented real estate investment trust focused exclusively on commercial properties located in primary and growing secondary markets in western Canada. The REIT's goal is to provide unitholders the opportunity to invest in high quality western Canadian office, retail and industrial properties, as well as to provide monthly cash distributions that are stable, tax efficient, and growing over time.

Artis' commercial property comprises approximately 6.3 million square feet of leasable area in 85 properties. Leasable area is approximately 30.7% in Manitoba, 7.8% in Saskatchewan, 55.7% in Alberta, and 5.8% in B.C.; by asset class the portfolio is 31.4% retail, 41.0% office and 27.6% industrial.

The REIT's Distribution Reinvestment Plan (“DRIP”) allows unitholders to have their monthly cash distributions used to purchase trust units without incurring commission or brokerage fees, and receive bonus units equal to 4% of their monthly cash distributions. More information can be obtained at www.artisreit.com.

For further information please contact Mr. Armin Martens, President and Chief Executive Officer,
Mr. Jim Green, Chief Financial Officer or Ms. Kirsty Stevens, Senior VP – Investor Relations
1.204.947.1250

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

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