



FOR IMMEDIATE RELEASE

AUGUST 12, 2009

ARTIS RELEASES SECOND QUARTER 2009 RESULTS; REPORTS SOLID SAME-PROPERTY NOI GROWTH

Today Artis Real Estate Investment Trust ("Artis" or "the REIT") issued its financial results and achievements for the three and six month period ended June 30, 2009.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- ◆ Q2-09 revenue increased 3.4% (\$1.2 million) over Q2-08 to reach \$35.5 million; year-to-date, revenue increased 7.7% (\$5.1 million) to \$71.9 million.
- ◆ Q2-09 property net operating income ("Property NOI") increased 2.2% (\$521,000) over Q2-08 to reach \$24.3 million; year-to-date, Property NOI increased 5.5% (\$2.5 million) to reach \$49.0 million.
- ◆ Year-to-date, funds from operations ("FFO") was \$27.4 million, an increase from \$26.6 million for the same period of 2008. Year-to-date, FFO per unit was \$0.83 per unit an increase from \$0.82 for the same period of 2008.
- ◆ Q2-09 same Property NOI, excluding non-cash revenue adjustments, increased 6.3% (\$1.1 million) over Q2-08; year-to-date, same Property NOI increased 6.7% (\$2.4 million).
- ◆ At June 30, 2009, debt to gross book value ("GBV") was 51.2%, a decrease from 51.6% at December 31, 2008.
- ◆ Q2-09 interest coverage ratio was 2.27, a slight increase from 2.26 in Q2-08.
- ◆ At June 30, 2009, portfolio occupancy was 96.2% (96.8% including committed space), up from 95.8% at Q1-09.

SELECTED FINANCIAL INFORMATION

<i>\$000's, except per unit amounts</i>	Three month period ended June 30,		Six month period ended June 30,	
	2009	2008	2009	2008
Revenue	\$ 35,486	\$ 34,324	\$ 71,947	\$ 66,813
NOI	24,288	23,767	48,975	46,430
DI	12,899	13,740	26,797	27,043
FFO	13,147	13,519	27,392	26,571
DI per unit (basic)	0.39	0.42	0.81	0.83
FFO per unit (basic)	0.40	0.41	0.83	0.82
Distributions	0.27	0.27	0.54	0.53
FFO payout ratio	67.5%	65.9%	65.1%	64.6%

<i>\$000's</i>	June 30, 2009	December 31, 2008
Total assets	\$ 1,153,498	\$ 1,243,693
GBV	1,307,378	1,374,377
Mortgages, loans and bank indebtedness	669,936	708,869
Debt to GBV	51.2%	51.6%

“Artis’ is pleased to report solid Q2-09 results in the face of a challenging economic climate – year-to-date, we have decreased the debt to GBV ratio for the REIT, while increasing our cash on hand,” said Armin Martens, President and Chief Executive Officer of Artis REIT. “Thus far in 2009, Artis has generated significant gains, as well as cash proceeds, from the selective disposition of properties, with more expected to be realized in Q3 and Q4. Although this has reduced DI and FFO somewhat, we are pleased to note that both continuing operations and same store properties continue to show revenue and Property NOI growth. Subsequent to June 30, 2009, we have made further strides in strengthening our balance sheet, with the issuance of \$46.0 million of convertible debentures in July and the private placement of units also completed in July.”

Operational Improvements and Internal Growth

Portfolio occupancy was 96.2% at June 30, 2009, an increase from 95.8% at March 31, 2009. Occupancy including commitments was 96.8%, unchanged from 96.8% at March 31, 2009. Occupancy by asset class and by province increased across the portfolio, with the exception of B.C., which remained stable.

Excluding GAAP adjustments for straight-line rent and above- and below-market rent adjustments, Q2-09 same Property NOI results increased 6.3% over Q2-08. The same Property NOI growth was driven primarily by increases in base rental rates achieved on lease turnovers.

In Q2-09 Artis leased or renewed over 203,408 square feet of leasable area and the weighted average rental rates achieved on lease turnovers in the period were approximately 8.1% higher than the rates in place at expiry (year-to-date, 10.4%). At June 30, 2009, the weighted average in-place rent per square foot across the portfolio was \$13.59, compared to \$12.50 at June 30, 2008. To date, approximately 66% of the 2009 and 17% of the 2010 lease expiries have been renewed or new lease commitments secured.

Disposition Activity

On April 1, 2009, the sale of the two properties known as Airways Business Plaza and Glenmore Commerce Court was completed. Both properties were Class “B” suburban office properties in Calgary, Alberta. The properties were sold for \$24.9 million, representing a capitalization rate of 6.3%. Artis recorded a gain on sale of \$6.3 million and realized cash proceeds on the sale of approximately \$12.1 million. On May 15, 2009, the sale of the property known as McKnight Village Mall, a neighbourhood unenclosed retail centre in Calgary, Alberta, was completed. This property was sold for \$23.2 million, which represented a capitalization rate of 8.4%. Artis recorded a gain on sale of approximately \$2.2 million and realized cash proceeds on the sale of approximately \$9.0 million on the transaction.

Subsequent to June 30, 2009, Artis completed two further dispositions. On July 15, 2009, the sale of the property known as Albert Street Mall, a retail centre in Regina, Saskatchewan, was completed and on July 27, 2009, the sale of the property known as Bridges Centre, a two-storey office building in Calgary, Alberta, was completed. The properties were sold for \$10.4 million which represented a weighted-average capitalization rate of 7.6%. Artis expects to record a gain on sale of approximately \$402,000 in the third quarter of 2009 on these transactions and receive cash proceeds of approximately \$3.7 million. Artis has also entered into an unconditional agreement to sell a Calgary industrial property for a total of \$6.0 million, which represents a capitalization rate of 8.2%; the sale is expected to close on November 1, 2009.

Termination of Interplex II and Interplex III Agreements

On May 11, 2009, Artis reached a settlement with the vendor of the Interplex II and Interplex III projects, and agreed to terminate both agreements. The 543,781 Class B units were converted into REIT units on May 11, 2009, and the interest of AXLP in the Interplex II project was transferred to the vendor. The 177,566 Class B units of AXLP that were issued for a 50% interest in the Interplex III lands were returned to AXLP for cancellation, and the 50% interest in the land was transferred to the vendor. .

Liquidity and Capital Resources

At June 30, 2009, Artis had \$14.8 million of cash and cash equivalents on hand or held in trust. In addition to cash resources, the REIT also has \$27.5 million undrawn and available on its Line of Credit. The undrawn balance can be

utilized to fund future acquisitions; alternately, up to \$10 million of the undrawn facility may be utilized for general corporate purposes, up to \$10 million may be utilized to provide mezzanine financing and up to \$7.5 million may be utilized to purchase units under the REIT's normal course issuer bid.

Subsequent to June 30, 2009, Artis realized aggregate gross proceeds of \$46.0 million from the successful convertible debenture offering concluded in July, 2009, and additional \$5 million from the proceeds of the July 31, 2009, non-brokered private placement of units. Subsequent to June 30, 2009, \$38.0 million has been used to retire or pay down existing long-term debt.

At June 30, 2009, the debt-to-GBV ratio (exclusive of convertible debentures) was 51.2%, a decrease from 51.6% at December 31, 2008. The ratio is well within the 70% limit set out in the REIT's Amended and Restated Declaration of Trust.

Update on Refinancing Activities

Artis has limited exposure to short-term re-financing risk, with approximately 4.1% of its mortgage debt maturing in the balance of 2009, 12.8% maturing in 2010 and 5.5% maturing in 2011. Approximately \$3.7 million of the 2009 mortgage maturities relates to property under an unconditional sales agreement and the remaining 2009 debt maturities either have refinancing commitments in place from the lender or have been repaid since June 30, 2009. As well, \$20.0 million of the 2010 mortgage maturities have been repaid since June 30, 2009 and \$3.8 million relates to a property sold since June 30, 2009. Management is currently in discussion with various lenders with respect to the remaining refinancings.

Series E Convertible Debenture Offering and Private Placement of Units

On July 9, 2009, Artis closed a \$40.0 million public offering of 5-year convertible unsecured subordinated debentures (the "Series E Debentures"). On July 15, 2009, an additional \$6.0 million of the Series E Debentures were issued pursuant to the exercise of the underwriters' overallotment option. The Series E Debentures pay interest at a rate of 7.5% per annum and are listed on the Toronto Stock Exchange as AX.DB.E.

On July 31, 2009, Artis issued 555,555 units at a price of \$9 per unit for aggregate gross proceeds of \$5.0 million pursuant to a non-brokered private placement agreement.

Portfolio Leasing and Tenant Profile

Artis' lease expiry profile at June 30, 2009 is summarized as follows:

Expiry Year	British				Calgary Office		Total
	Columbia	Saskatchewan	Manitoba	Alberta	Only		
2009	0.4%	0.4%	1.7%	3.3%	1.2%	5.8%	
2010	0.4%	1.4%	6.8%	7.3%	2.0%	15.9%	
2011	0.2%	0.8%	5.4%	9.3%	5.2%	15.7%	
2012	1.3%	0.4%	2.5%	4.2%	2.3%	8.4%	
2013	0.3%	1.9%	4.3%	8.0%	5.1%	14.5%	
2014	0.5%	0.9%	4.7%	3.3%	1.3%	9.4%	
2015 & Later	1.8%	2.1%	4.2%	17.6%	7.2%	25.7%	
M-T-M	0.0%	0.0%	0.3%	0.1%	0.1%	0.4%	
Vacancies	0.9%	0.0%	0.7%	2.6%	1.7%	4.2%	
Total GLA	362,195	493,999	1,929,404	3,506,578	1,636,676	6,292,176	

Artis' management reviews the current market rents across its portfolio on an on-going basis. Management estimates that the weighted average market rent rates at June 30, 2009 for all remaining 2009 lease expiries are approximately 18.6% higher than the rates in place at lease expiry.

At June 30, 2009, 54.1% of the REIT's GLA is occupied by national tenants, 8.7% by government tenants and the remainder by regional and local tenants. Artis' top twenty (non-government) tenants in the portfolio account for 32.0% of the REIT's gross revenues and the weighted average term to maturity on those leases is 8.1 years. The top tenants by asset class, and their share of the REIT's gross revenues is summarized as follows:

Office	Retail	Industrial
AMEC Americas Ltd.	6.0% Sobeys	2.2% Bell Canada
Provincial Government Departments (various)	4.8% Shoppers Drug Mart	1.5% Q9 Networks
Federal Government Departments (various)	3.8% Cineplex Odeon	1.1% BW Technologies (Honeywell)
		1.0%

Further details on the top tenants in the REIT's portfolio can be found in the Management's Discussion and Analysis for the three and six month periods ending June 30, 2009, or the Supplemental Package for June 30, 2009.

Upcoming Webcast and Conference Call:

Interested parties are invited to participate in a conference call with management on Thursday, August 13, 2009 at 1:00 p.m. EST. In order to participate, please dial 1-416-340-8018 or 1-866-223-7781. 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.ca/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 August 13, 2009, a replay of the conference call will be available by dialing 1-416-695-5800 or 1-800-408-3053 and entering passcode #2038533. The replay will be available until August 27, 2009. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

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 83 properties. Leasable area is approximately 31% in Manitoba, 7% in Saskatchewan, 56% in Alberta, and 6% in B.C.; by asset class the portfolio is 31% retail, 41% office and 28% 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.

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, Senior Vice President of the REIT at (204) 947 1250.