



FOR IMMEDIATE RELEASE

MAY 12, 2010

ARTIS RELEASES FIRST QUARTER 2010 RESULTS; REPORTS SOLID SAME PROPERTY NOI GROWTH OF 6.1% AND YEAR-OVER-YEAR INCREASES IN REVENUES AND PROPERTY NOI

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

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- ◆ Acquired eight income-producing properties, comprising 231,000 square feet of retail space and 1.1 million square feet of industrial space. The properties, which are located in Saskatchewan, Alberta and British Columbia, were acquired for a total of \$158.3 million, which was settled with cash on hand and from the proceeds of \$104.2 million of new or assumed mortgage financing.
- ◆ Raised \$115.8 million of new equity capital pursuant to the issue of 5,290,000 units at \$11.00 per unit on January 26, 2010, the issue of 4,450,000 units at \$11.25 per unit on March 16, 2010 and the issue of 667,500 units at \$11.25 per unit on March 23, 2010.
- ◆ Repaid the balance of \$30.7 million drawn on the line of credit and a \$20.0 million vendor take-back mortgage.
- ◆ Increased year-over-year revenue by 7.8% to \$37.3 million; increased year-over-year Property NOI by 8.8% to \$25.7 million and increased year-over-year same Property NOI by 6.1%.
- ◆ Reduced mortgage debt to gross book value ("GBV") to 45.4% at March 31, 2010, compared to 47.4% at December 31, 2009.
- ◆ Increased interest coverage ratio to 2.35 at March 31, 2010, compared to 2.22 at December 31, 2009. Reported portfolio occupancy of 96.2% (97.9% including committed space) at March 31, 2010.
- ◆ Continued to meet the prescribed conditions for status as a tax-exempt Canadian real estate investment trust.

SELECTED FINANCIAL INFORMATION

<i>\$000's, except per unit amounts</i>	Three month period ended March 31,	
	2010	2009
Revenue	\$ 37,307	\$ 34,606
Property NOI	25,669	23,586
DI	13,787	13,898
FFO	14,100	14,245
DI per unit (basic)	0.32	0.42
FFO per unit (basic)	0.33	0.43
Distributions	0.27	0.27
FFO payout ratio	81.8%	62.8%

<i>\$000's</i>	March 31, 2010	December 31, 2009
Total assets	\$ 1,351,037	\$ 1,190,209
GBV	1,531,447	1,356,994
Mortgages, loans and bank indebtedness	695,626	642,963
Debt to GBV	45.4%	47.4%

"We are pleased to report strong year-over-year growth in revenues and Property NOI for Q1-10, in addition to another quarter of same Property NOI growth," said Armin Martens, Chief Executive Officer of Artis REIT. "We look forward to further improvements in the future, as we continue to deploy recently raised capital into high quality commercial property acquisitions."

Financing Activities

On January 26, 2010, Artis issued 4,600,000 units at a price of \$11.00 per unit for aggregate gross proceeds of \$50.6 million. Also on January 26, 2010, the underwriting syndicate exercised its full over-allotment option and a further 690,000 units were issued for gross proceeds of \$7.6 million.

On March 16, 2010, Artis issued 4,450,000 units at a price of \$11.25 per unit for aggregate gross proceeds of \$50.1 million. On March 23, 2010, the underwriting syndicate exercised its full over-allotment option and a further 667,500 units were issued for gross proceeds of \$7.5 million.

Subsequent to March 31, 2010, Artis raised aggregate gross proceeds of \$86.3 million pursuant to a prospectus offering of Series F convertible debentures and the concurrent exercise of the underwriters' overallotment option. The Series F convertible debentures pay coupon interest at a rate of 6.0% per annum and mature June 30, 2020. The offering and overallotment closed on April 22, 2010.

During Q1-10, Artis repaid the balance of \$30.7 million drawn on the line of credit and a \$20.0 million vendor take-back mortgage. Artis also refinanced an existing mortgage related to the Canarama Mall, obtaining an additional \$3.2 million of mortgage financing.

Approximately 6.1% of Artis' maturing mortgage debt comes up for renewal in the remainder of 2010 and 6.0% in 2011. Management is currently in discussion with various lenders with respect to the renewal or refinancing of the mortgages.

Portfolio Acquisition Activity

During Q1-10, Artis acquired eight 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 (2) and Calgary, Alberta	Industrial	811,307	March 30, 2010
Westbank Hub Centre North ^{(1) (3)}	Westbank / West Kelowna, British Columbia	Retail	124,862	March 31, 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.

The aggregate purchase price of the acquisitions was \$158.3 million which represented a weighted-average going-in capitalization rate of 7.53%. The purchase prices were settled with cash on hand and from the proceeds of new or assumed mortgage financing. The weighted average term to maturity on the mortgages is 4.9 years, and the weighted average interest rate is 5.0%.

Subsequent to March 31, 2010, Artis acquired four properties, as follows:

Property	Location	Asset Class	Leasable Area (in square feet)	Acquisition Date
Sunrise Towne Square	Spruce Grove, Alberta	Retail	111,978	April 1, 2010
Visions Electronics Building	Calgary, Alberta	Retail	50,045	April 12, 2010
Tamarack Mall	Burnaby, British Columbia	Retail	287,741	April 15, 2010
Winnipeg Square Parkade	Winnipeg, Manitoba	Parkade	n/a (978 stalls)	April 30, 2010

The aggregate purchase price of the acquisitions was \$84.2 million which represented a weighted-average going-in capitalization rate of 7.9%. The purchase prices were settled with cash on hand, from the proceeds of new or assumed mortgage financing and the line of credit. The weighted average term to maturity on the mortgages is 5.4 years, and the weighted average interest rate is 5.2%.

Artis has also entered into additional conditional and unconditional agreements to acquire properties for aggregate purchase prices of \$140.5 million representing weighted-average going-in capitalization rates of 8.0%. These acquisitions are expected to be financed with cash on hand and from the proceeds of new or assumed mortgage financing. Additional information about the REIT's proposed acquisitions can be found in the Management's Discussion and Analysis for the three month period ending March 31, 2010 or in press releases available on the REIT's web site at www.artisreit.com.

Liquidity and Capital Resources

As at March 31, 2010, Artis had \$40.0 million of cash and cash equivalents on hand in addition to \$60.0 million available on the line of credit. Subsequent to March 31, 2010, Artis realized \$86.3 million of gross proceeds from the issuance of Series F debentures. A portion of these proceeds, in addition to newly arranged or assumed mortgage financings, was used to fund \$84.2 million of acquisitions that closed subsequent to March 31, 2010.

At March 31, 2010, Artis had no balance drawn on the line of credit. Subsequent to March 31, 2010 \$8.0 million was drawn with respect to the purchase of the Tamarack Mall property. The remaining \$52.0 million line can be utilized to fund future acquisitions. Alternately, up to \$10.0 million of the undrawn facility may be utilized for general corporate purposes, up to \$10.0 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. The maturity date on the line of credit is September 28, 2010.

At March 31, 2010, the ratio of mortgages, loans and bank indebtedness to GBV was 45.4%, a decrease from 47.4% at December 31, 2009. 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 50.2% at March 31, 2010, a decrease from 53.7% at December 31, 2009.

Liquidity and capital resources will be impacted by the financing and acquisition activities announced subsequent to March 31, 2010.

Operational Improvements and Internal Growth

Artis' portfolio occupancy level at March 31, 2010 remained strong at 96.2% (excluding properties currently in redevelopment), compared to 96.6% at December 31, 2009 and 95.8% at March 31, 2009. At March 31, 2010, occupancy plus executed lease commitments on vacancy is 97.9%. Of the 191,000 square feet currently considered to be undergoing redevelopment, lease commitments are in place on 43.5% of the leasable area.

Excluding GAAP adjustments for straight-line rent and above- and below-market rent adjustments, Q1-10 same Property NOI results increased 6.1% over Q1-09. Year-over-year quarterly growth was recorded for all asset class and provincial portfolio segments. This is primarily attributed to rate increases and absorption in Alberta and Winnipeg office properties and to rate increases achieved in Alberta and Saskatchewan retail properties.

Considering all properties owned at March 31, 2010, 10.6% of the portfolio's leasable area is set to expire in the remainder of 2010 and 14.5% in 2011. As of today's date, 72.3% of the 2010 and 15.1% of the 2011 leasing programs are complete. The tenant retention ratio for 2010 thus far is 84.8% and a weighted-average rental increase of 3.3% 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 market rent rates at March 31, 2010 for the remaining 2010 and 2011 lease expiries are approximately 11.5% and 4.6% higher than the rates in place at lease expiry.

Portfolio Leasing and Tenant Profile

Considering all properties owned at March 31, 2010, Artis' portfolio includes over 1,280 tenant leases with a weighted average term to maturity of 5.7 years. Approximately 66.6% of the REIT's GLA is occupied by national or government tenants. The top twenty (non-government) tenants account for 30.8% of the portfolio's gross revenues at March 31, 2010, with a weighted-average lease term to maturity of 9.6 years. The REIT's largest tenant is AMEC Americas Ltd. which accounts for 5.3% of the REIT's gross revenues. No other tenant in the portfolio accounts for more than 5.0% of gross revenues

Additional information about the REIT's portfolio can be found in the Management's Discussion and Analysis for the three month period ending March 31, 2010.

Upcoming Webcast and Conference Call:

Interested parties are invited to participate in a conference call with management the following day: Thursday, May 13, 2010 at 3:00 p.m. CST (4:00 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 May 13, 2010, a replay of the conference call will be available by dialing 1-416-695-5800 or 1-800-408-3053 and entering passcode #6000138. The replay will be available until May 27, 2010. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

Artis is a 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.

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.