



PROPERTIES OF SUCCESS





FORWARD-LOOKING DISCLAIMER

Certain information included in this presentation contains forward-looking statements within the meaning of applicable securities laws. 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 Real Estate Investment Trust (“Artis REIT”) is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of Artis REIT to be materially different from any future results, performance or achievements expressed or implied in these forward-looking statements. Such risk factors include, but are not limited to, risks associated with real property ownership, availability of cash flow, general uninsured losses, future property acquisitions, environmental matters, tax related matters debt financing, Unitholder liability, potential conflicts of interest, potential dilution, reliance on key personnel changes in legislation and changes in the tax treatment of trusts. Artis REIT cannot assure investors that actual results will be consistent with any forward-looking statement and Artis REIT assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances.

This presentation does not constitute an offer to sell or a solicitation of an offer to purchase securities of Artis REIT.



NOTICE RESPECTING NON-GAAP MEASURES

Distributable Income (“DI”), Property Net Operating Income (“Property NOI”) and Funds from Operations (“FFO”) are non-GAAP measures commonly used by Canadian income trusts as an indicator of financial performance. “GAAP” means the generally accepted accounting principles described by the Canadian Institute of Chartered Accountants which are applicable as at the date on which any calculation using GAAP is to be made.

Artis REIT calculates Distributable Income, or “DI”, to reflect distributable cash which is defined in the REIT’s Declaration of Trust as net income in accordance with GAAP, subject to certain adjustments as set out in the Declaration of Trust, including: (i) adding back amortization (excluding leasing costs) and accretion to the carrying value of debt and (ii) excluding gains or losses on the disposition of any asset, and (iii) adding or deducting other adjustments as determined by the Trustees at their discretion. Given that one of the REIT’s objectives is to provide stable cash flows to investors, management believes that DI is an indicative measure for evaluating the REIT’s operating performance in achieving its objectives.

Artis REIT calculates Property NOI as revenues, prepared in accordance with GAAP, less property operating expenses such as taxes, utilities, repairs and maintenance. Property NOI does not include charges for interest and amortization. Management considers Property NOI to be a valuable measure for evaluating the operating performance of the REIT’s properties.

Artis REIT calculates FFO, substantially in accordance with the guidelines set out by the Real Property Association of Canada (“RealPAC”). Management considers FFO to be a valuable measure for evaluating the REIT’s operating performance in achieving its objectives.



OUR MISSION

STABLE CASH DISTRIBUTIONS

**MONTHLY
TAX EFFICIENT
GROWING OVER TIME**



UNIQUE FOUR PART STRATEGY

- 1. Geographic focus: Western Canada only**
- 2. Product focus: commercial real estate only**
 - industrial
 - office
 - retail
- 3. External growth: via accretive acquisitions in our target markets**
- 4. Internal growth: via active asset management and new developments**





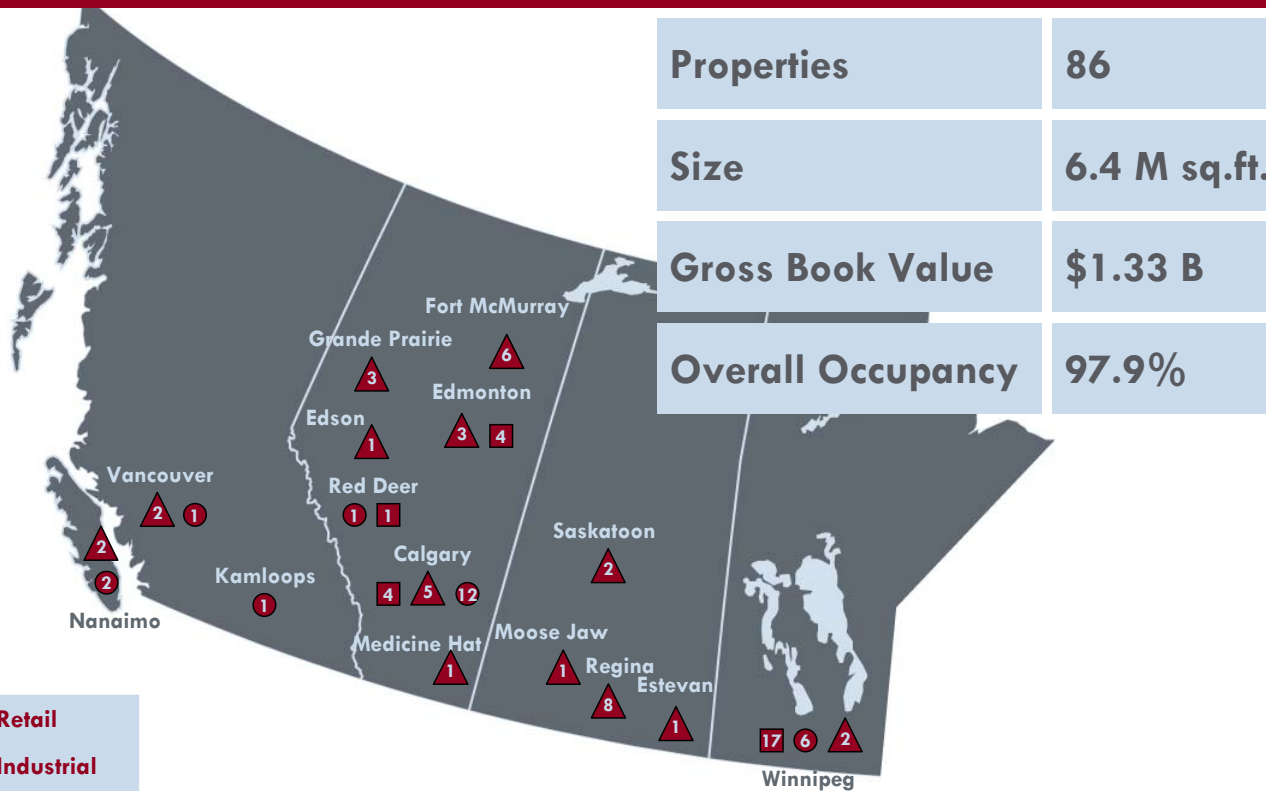
PROPERTY DISTRIBUTION



Western Canada: Country's Healthiest Economy



PORTFOLIO OVERVIEW



Properties	86
Size	6.4 M sq.ft.
Gross Book Value	\$1.33 B
Overall Occupancy	97.9%

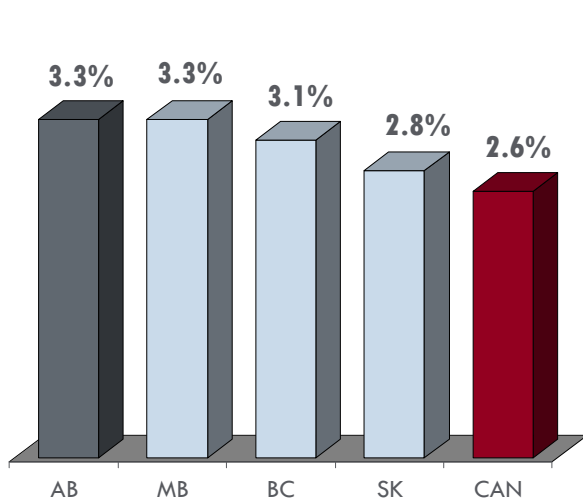
-  = Retail
-  = Industrial
-  = Office

Portfolio Assets as at June 30, 2008, plus unconditional acquisitions/dispositions at Sept 8, 2008

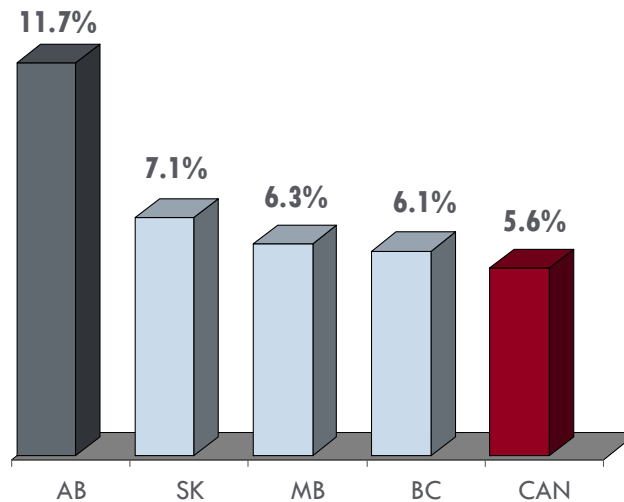


ROBUST WESTERN ECONOMY

**Real GDP Growth Rate
2007**



**Average Retail Sales Growth
Year Over Year, 2003-2007**



Source Statistics Canada



ROBUST WESTERN ECONOMY

CANADA

GDP growth of 1.7% in 2008

Increase in manufacturing sector due to expected stability of the Canadian dollar through 2008 and 2009.

Rise in commodity prices to persist due to strong global demand for raw materials and a recovery in forestry product prices.

Regional results will be in favor of the resource and energy-rich provinces.

Strong overall domestic demand.

WESTERN CANADA

GDP growth approx. 2.7% in 2008

Largest oil reserves worldwide

Lowest tax regime nationwide

Lowest business costs nationwide

Strong and diverse commodity sector

Best overall economic fundamentals

Source: Conference Board of Canada



PORTFOLIO CHARACTERISTICS

High Quality Assets



Well Diversified



Creditworthy Tenants



Stable Cash Flow



Conservative Risk Profile



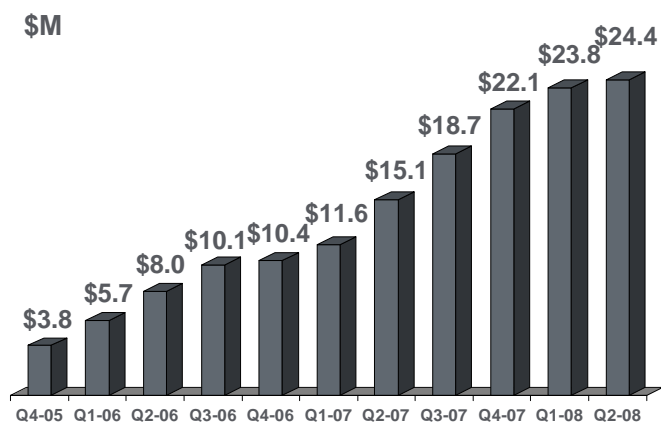
Strong Embedded Growth



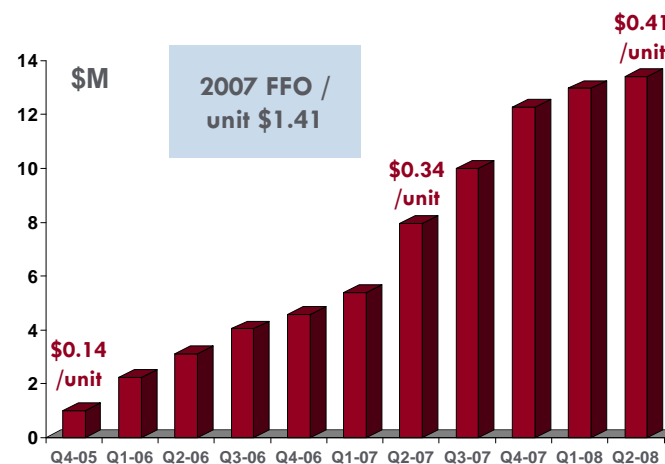


QUARTERLY GROWTH

Property NOI



FFO



193% FFO per unit growth over 33 months

	For the 6-month period ended	
	2007	2008
FFO Payout Ratio	84.1%	65.4%





LATEST ANALYST PROJECTIONS ⁽¹⁾

	2008		2009		Current	Current
Latest analyst projections (Q2-08 results)	FFO	AFFO	FFO	AFFO	NAV	Target Price
CIBC World Markets	\$1.63	\$1.10	\$1.81	\$1.29	\$17.95	\$19.50
Canaccord	\$1.64	\$1.12	\$1.73	\$1.29	\$17.80	\$20.00
Desjardins	-	\$1.07	-	\$1.19	\$17.33	\$17.50
National Bank	\$1.65	\$1.02	\$1.67	\$1.18	\$16.65	\$17.50
Royal Bank	\$1.64	\$0.98	\$1.74	\$1.18	\$16.79	\$17.50
Scotia Capital	\$1.69	\$1.04	\$1.79	\$1.38	\$16.75	\$17.50
Average Consensus	\$1.65	\$1.06	\$1.75	\$1.25	\$17.21	\$18.25

Distributions payout ratio approximately: \$1.08 = 65.5% of FFO (2008) & 101.9% of AFFO (2008)

Industry Average approximately = 87.0% of FFO & 113.2% of AFFO

Source : BMO Daily Market Watch, Sept 2008

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



GROWTH STRATEGY - EXTERNAL



Willingdon Green – Burnaby, BC
(Acquisition & Redevelopment)



Fort McMurray/Edmonton Portfolio
- Fort McMurray/Edmonton, AB



Maynard Technology Centre
- Calgary, AB



Paramount Building
- Calgary, AB

Total acquisitions, including unconditional acquisitions/dispositions at Sept 8, 2008 is approximately \$1.11 Billion



GROWTH STRATEGY - INTERNAL

**Increase Rental Income
with Lease Turnover**



Nurture Existing Relationships



**Exploit Development
Opportunities**



**Preventative Maintenance
Program**





INVESTMENT HIGHLIGHTS

- **Artis REIT has an exclusively Western Canadian Focus**
- **High Quality Commercial Properties – all Asset Classes**
- **Proven Management Team**
- **Consistent & Reliable Cash Flow**
- **Strong Financial Position**
 - **Anticipated debt level of approximately 50.3%**
 - **Interest Coverage Ratio = 2.4**
 - **Anticipated (analyst consensus) 2008 FFO ratio at approximately 65.5%**
 - **Excellent mortgage profile with only 2% and 4% of mortgages expiring in 2008 and 2009**
- **Excellent Growth Potential**
 - **2008 gap from in-place to market rent of approximately 42%**
 - **575,000 sq. ft. expiring**
 - **26% below market for all years of expiry**
 - **80% of 2008 lease program complete**

