



FOR IMMEDIATE RELEASE

AUGUST 11, 2010

ARTIS RELEASES SECOND QUARTER 2010 RESULTS; REPORTS STRONG 30.3% QUARTER-OVER-QUARTER 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 periods ended June 30, 2010.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- ◆ Acquired seven income-producing properties, primarily in Western Canada, and the remaining 62% interest in the 360 Main Street office tower and Shops of Winnipeg Square retail concourse (bringing the REIT's total ownership to 100%). Artis also acquired the ancillary Winnipeg Square Parkade. Artis' portfolio at June 30, 2010 increased to nearly 10.0 million square feet of leasable area, with a gross book value of assets of approximately \$1.9 billion.
- ◆ Raised aggregate gross proceeds of \$166.9 million related to equity and convertible debenture prospectus offerings that closed in the period.
- ◆ Increased Q2-10 revenues by 28.4% to \$43.0 million compared to Q2-09; increased year-over-year revenue by 17.9% to \$80.3 million.
- ◆ Increased Q2-10 Property NOI by 30.3% to \$30.1 million compared to Q2-09; increased year-over-year Property NOI by 19.5% to \$55.8 million.
- ◆ Increased Q2-10 same Property NOI by 2.8% compared to Q2-09; increased year-over-year same Property NOI by 4.4%.
- ◆ Increased Q2-10 FFO by 18.4% to \$15.6 million compared to Q2-09; increased year-over-year FFO by 8.3% to \$29.7 million.
- ◆ Reduced mortgage debt to gross book value ("GBV") to 46.9% at June 30, 2010, compared to 47.4% at December 31, 2009.
- ◆ Interest coverage ratio remains unchanged at 2.2 at June 30, 2010, compared to December 31, 2009 and June 30, 2009.
- ◆ Increased portfolio occupancy to 97.1% (98.2% including committed space) at June 30, 2010, compared to 96.2% at March 31, 2010.
- ◆ Reported increased acquisition capacity at June 30, 2010 with \$100.1 million of cash and cash equivalents on hand, in addition to \$52.0 million available on the line of credit.
- ◆ 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		Six month period ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Revenue	\$ 42,984	\$ 33,487	\$ 80,291	\$ 68,093
Property NOI	30,099	23,094	55,768	46,680
DI	15,278	12,899	29,065	26,797
FFO	15,564	13,147	29,664	27,392
DI per unit (basic)	0.30	0.39	0.62	0.81
FFO per unit (basic)	0.31	0.40	0.64	0.83
Distributions	0.27	0.27	0.54	0.54
FFO payout ratio	87.1%	67.5%	84.4%	65.1%

\$000's	June 30,	December 31,
	2010	2009
Total assets	\$ 1,700,078	\$ 1,190,209
GBV	1,896,631	1,356,994
Mortgages, loans and bank indebtedness	889,481	642,963
Debt to GBV	46.9%	47.4%

"We are pleased to report solid quarterly and year-to-date results for Q2-10. Acquisition activity was the primary driver of growth in revenues, Property NOI, DI and FFO, although internal growth from successful leasing and site intensification activities was also a contributing factor," said Armin Martens, President and Chief Executive Officer of Artis REIT. "As a result of recent financing activities, Artis has significant resources to fund its acquisition program. In the short-run, uninvested capital has a dilutive impact on per unit results. In the long-run, we anticipate that recent and on-going acquisition activity will enhance Artis' future earnings and per unit results."

Financing Activities

On April 22, 2010, Artis raised aggregate gross proceeds of \$86.3 million pursuant to a prospectus offering of 10-year Series F convertible debentures and the concurrent exercise of the underwriters' over-allotment option. The Series F convertible debentures pay coupon interest at a rate of 6.0% per annum and mature June 30, 2020.

On June 30, 2010, Artis issued 7,331,250 units at a price of \$11.00 per unit for aggregate gross proceeds of \$80.6 million.

Portfolio Acquisition Activity

During Q2-10, Artis acquired seven properties, as follows:

Property	Location	Asset Class	Leasable Area (in square feet)	Acquisition Date
Sunrise Town Square	Spruce Grove, Alberta	Retail	111,978	April 1, 2010
Visions Building	Calgary, Alberta	Retail	50,045	April 12, 2010
Tamarack Centre	Cranbrook, British Columbia	Retail	287,741	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	139,942	June 15, 2010
DSI Building	New Brighton, Minnesota (US)	Office	115,667	June 30, 2010

On June 30, 2010, Artis acquired the remaining 62% interest in the 360 Main Street property, bringing its total ownership interest in the property to 100%. The 360 Main Street property is a 32-storey Class A office tower with a connected underground retail concourse, located in the heart of downtown Winnipeg. On April 30, 2010, Artis acquired the Winnipeg Square Parkade, a 978 stall underground 3-story parking structure, which is ancillary to the 360 Main Street property.

The aggregate purchase price of the acquisitions was \$287.3 million, which represented a weighted-average going-in capitalization rate of 8.1%. The purchase prices were settled with cash on hand, from the proceeds of new or assumed mortgage financing and from a draw of \$8.0 million on the line of credit. The weighted-average interest rate on the new or assumed debt (excluding the amount drawn on the line of credit) is 5.14%.

Subsequent to June 30, 2010, Artis announced that it has entered into additional unconditional agreements to acquire properties, as follows:

Property	Location	Asset Class	Leasable Area (in square feet)	Purchase Price (in \$000's)
Uplands Common	Lethbridge, Alberta	Retail	53,392	\$ 12,520
1045 Howe Street	Vancouver, British Columbia	Office	101,145	\$ 38,000
Cancross Court	Mississauga, Ontario	Office	143,877	\$ 29,500
Concorde Corporate Centre	Toronto, Ontario	Office	548,742	\$ 87,000

The aggregate purchase price of \$167.0 million represents a weighted-average going-in capitalization rate of 8.0%. These acquisitions are expected to be financed with cash on hand and from the proceeds of an expected \$99.4 million of new or assumed mortgage financing. Based on today's benchmark bond rates, Artis estimates that the weighted-average interest rate on the financing would be approximately 4.8% per annum.

Additional information about the REIT's proposed acquisitions can be found in Artis' press releases, which are posted on the REIT's web site at www.artisreit.com.

Liquidity and Capital Resources

At June 30, 2010, Artis had \$100.1 million of cash and cash equivalents on hand, in addition to \$52.0 million available on the line of credit.

At June 30, 2010, Artis had \$8.0 million drawn on the line of credit. The REIT has since replaced the current line of credit with a new revolving term credit facility (the "acquisition line of credit") in the amount of \$60.0 million, which may be utilized to fund acquisitions of retail, office and industrial properties. The acquisition line of credit is for a one-year term, with renewal at the option of the REIT for a further one-year term. The acquisition line of credit will bear interest at a floating rate calculated as 330 basis points over 30-day Canadian dollar bankers' acceptances.

At June 30, 2010, the ratio of mortgages, loans and bank indebtedness to GBV was 46.9%, 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 54.6% at June 30, 2010, up from 53.7% at December 31, 2009 as a result of the issue of the Series F convertible debentures.

Liquidity and capital resources will be impacted by the financing and acquisition activities announced subsequent to June 30, 2010.

Operational Improvements and Internal Growth

Artis' portfolio occupancy level at June 30, 2010 increased to 97.1% (excluding properties currently in redevelopment) compared to 96.2% at March 31, 2010 and 96.2% at June 30, 2009. At June 30, 2010, occupancy plus executed lease commitments on vacancy was 98.2%. Of the 190,658 square feet currently considered to be undergoing redevelopment, lease commitments are in place on 54.6% of the leasable area, compared to 43.5% at March 31, 2010.

Excluding GAAP adjustments for straight-line rent and above- and below-market rent adjustments, Q2-10 same Property NOI results increased 2.8% over Q2-09; year-to-date same Property NOI results increased 4.4%. Growth was reported in all asset classes and all provinces, with the largest gains reported in the office segment and in Alberta and Manitoba. The strong same Property NOI growth in these segments was largely attributed to lease-up of the newly constructed two floors in the Millennium Building in Red Deer, as well as increased rental and parking income from several Winnipeg properties.

Considering all properties owned at June 30, 2010, 8.5% of the portfolio's leasable area is set to expire in the remainder of 2010 and 13.7% in 2011. As of today's date, 82.7% of the 2010 and 25.7% of the 2011 leasing programs are complete. The tenant retention ratio for 2010 thus far is 82.4%. In Q2-10, the weighted-average rental rates on total activity increased by 7.1% and the weighted-average rental rates on renewal activity increased by 6.7%.

Portfolio Leasing and Tenant Profile

Considering all properties owned at June 30, 2010, Artis' portfolio includes over 1,420 tenant leases with a weighted-average term to maturity of 5.8 years. Approximately 66.9% of the REIT's GLA is occupied by national or government tenants. The top twenty non-government tenants account for 28.8% of the portfolio's gross revenues at June 30, 2010, with a weighted-average lease term to maturity of 9.0 years. No single tenant in the portfolio accounts for more than 4.4% of gross revenues.

Upcoming Webcast and Conference Call:

Interested parties are invited to participate in a conference call with management on Thursday, August 12, 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 August 12, 2010, a replay of the conference call will be available by dialing 1-416-695-5800 or 1-800-408-3053 and entering passcode #7433153. The replay will be available until August 31, 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 Canadian real estate investment trust. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial income-producing properties, with a major focus on Western Canada. Artis' commercial property comprises approximately 9.6 million square feet of leasable area in 111 properties. Leasable area by asset class is approximately 29.5% retail, 32.6% office and 37.9% industrial. The portfolio is 31.5% in Manitoba, 6.7% in Saskatchewan, 46.6% in Alberta, 14.0% in B.C and 1.2% in the United States.

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

Property NOI, DI and FFO are non GAAP measures commonly used by Canadian income trusts as an indicator of financial performance. Management uses Property NOI, DI and FFO to analyze operating performance. Property NOI, DI, and FFO may not be comparable to similar measures presented by other issuers. Property NOI, DI 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.

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