



*NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES  
OR FOR DISSEMINATION IN THE UNITED STATES*

FOR IMMEDIATE RELEASE

FEBRUARY 25, 2010

## **ARTIS REIT ANNOUNCES A \$50.0 MILLION EQUITY FINANCING AND \$115.3 MILLION OF PROPERTIES UNDER CONTRACT**

Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis" or the "REIT") announced today that it currently has \$115.3 million of western Canadian commercial properties under conditional and unconditional contract. This includes an unconditional agreement to acquire a portfolio of four new generation Alberta industrial properties, three of which are in Edmonton and one in Calgary (the "Industrial Portfolio"), for an aggregate purchase price of \$85.2 million as well as an unconditional agreement to acquire a \$5.8 million retail property in Fort McMurray, Alberta.

Artis has also entered into an agreement to sell to a syndicate of underwriters led by Canaccord Adams and CIBC World Markets Inc. (the "Underwriters"), on a bought deal basis, 4,450,000 trust units ("Units") at a price of \$11.25 per Unit for gross proceeds to Artis of \$50,062,500 (the "Financing"). Artis has also granted the Underwriters an over-allotment option to purchase up to an additional 667,500 Units on the same terms and conditions, exercisable at any time, in whole or in part, up to 30 days after the closing of the Financing. Artis intends to use the net proceeds from the Financing to fund the announced and future acquisitions and for general working capital purposes. The Financing is expected to close on or about March 16, 2010 and is subject to regulatory approval.

The Industrial Portfolio includes a 399,767 square foot property in Edmonton, a 146,135 square foot building in Calgary, and two properties in Acheson totaling 265,172 square feet. The Acheson industrial area is located just ten minutes outside of west Edmonton, Alberta along the Yellowhead (TransCanada) Highway. The buildings, which were all constructed between 2003 and 2008, are currently 100% leased. Key tenants include Suncor, Navistar Canada and Kuehne & Nagel. Management estimates that the current rental rates are approximately 12% below market. The Industrial Portfolio is being acquired for \$85.2 million which represents a going-in capitalization rate of 7.7%. The purchase price is expected to be settled from cash on hand and from the proceeds of \$53.8 million of new mortgage financing bearing interest at a rate anticipated to be less than 5% per annum (based on current government of Canada bond yields).

Eagle Ridge Corner is a newly built 12,695 square foot retail property located in Fort McMurray, Alberta. The property is being acquired for \$5.8 million which represents a going-in capitalization rate of 9.6%. The purchase price is expected to be financed from cash on hand and from the proceeds of \$4.0 million of new mortgage financing bearing interest at a rate anticipated to be less than 5% per annum (based on current government of Canada bond yields).

Artis has also entered into an agreement to acquire a 49% interest in the Winnipeg Square Parkade ("the Parkade"), a 978 stall three floor underground heated parkade which services the Shops of Winnipeg Square / 360 Main Street office tower ("the 360 Main property"). The Parkade holds title to the land underlying the air-rights lease of the 360 Main property, of which Artis currently owns a 38% interest. In conjunction with the Parkade purchase, Artis has also agreed to acquire a further 11% share of the 360 Main property, bringing the total ownership interest in that property up to 49%. The

acquisition of the Parkade by the same ownership group as the 360 Main property will create value for Artis by facilitating the conversion of the title from leasehold to freehold interest.

The purchase price for the 49% interest in the Parkade is \$11.8 million; this is expected to be financed from cash on hand and from the proceeds of new 65% loan to value mortgage financing to be arranged on the Parkade. The purchase price for the 11% share of the 360 Main property is \$12.5 million; the price, net of the pro-rata share of the existing financing, will be financed from cash on hand. The weighted average capitalization rate on the transaction is 8.0%.

“Thus far in 2010, Artis has closed on \$48.8 million of income producing properties in western Canada, and including the Tamarack Mall, the Industrial Portfolio, and Eagle Ridge Corner, we have announced a further \$118.7 million of unconditional acquisitions,” said Armin Martens, CEO of Artis REIT, “we expect 2010 will be strong year for accretive acquisition growth.”

Including the impact of all concluded and announced unconditional acquisitions, Artis’ portfolio (by GLA) will be 11.0% in British Columbia, 49.7% in Alberta, 7.7% in Saskatchewan and 31.6% in Manitoba. The REIT’s 8.4 million square feet of leasable area will be 43.4% industrial, 28.2% retail and 28.4% office.

\*\*\*\*\*

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.

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](http://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.*

Suite 300 – 360 Main Street  
Winnipeg, MB R3C 3Z3  
T 204.947.1250 F 204.947.0453

[www.artisreit.com](http://www.artisreit.com)  
AX.UN on the TSX