



FOR IMMEDIATE RELEASE

MARCH 16, 2010

ARTIS RELEASES FOURTH QUARTER AND 2009 RESULTS; REPORTS SOLID SAME PROPERTY NOI GROWTH OF 5.2%

Today Artis Real Estate Investment Trust ("Artis" or "the REIT") issued its financial results and achievements for the three month and twelve month periods ended December 31, 2009.

2009 ANNUAL HIGHLIGHTS

- ◆ Increased portfolio diversification in the second half of 2009 through the acquisition of 16 income-producing properties. The properties comprise 817,000 square feet of industrial and 91,000 square feet of office space, primarily in Manitoba and British Columbia. The aggregate purchase price of the acquisitions was \$71.5 million; purchase prices were settled with cash on hand and from the proceeds of \$36.4 million of new mortgage financing.
- ◆ Disposed of nine income-producing properties in the first half of 2009 at an average capitalization rate of 7.7%, for proceeds (net of costs and related debt) of \$41.1 million, resulting in a net gain of \$14.9 million. The properties were comprised of 467,000 square feet of office space (92.5% in Calgary), 115,000 square feet of retail space and 60,000 square feet of industrial space.
- ◆ Raised \$95.8 million of new capital (net of costs), pursuant to the issue of \$46.0 million of Series E convertible debentures, a \$5.0 million private placement of \$9.00 Units in Q3-09, the issue of \$35.2 million of new Units at \$9.00 per unit in Q4-09, and the procurement of \$11.6 million of new mortgage financing during the year.
- ◆ Increased year-over-year revenue by 4.0% to \$136.9 million; increased year-over-year Property NOI by 2.5% to \$93.4 million and increased year-over-year same Property NOI by 5.2%.
- ◆ Reduced mortgage debt to gross book value ("GBV") to 47.4% at December 31, 2009 compared to 51.6% at December 31, 2008.
- ◆ Increased portfolio occupancy to 96.6% (98.1% including committed space) at December 31, 2009.
- ◆ Met the prescribed conditions for status as a tax-exempt Canadian real estate investment trust.
- ◆ At December 31, 2009, the interest coverage ratio was 2.22.
- ◆ In 2009, the weighted average rent increase on all leasing activity was 10.3%; for renewals only, the weighted average rent increase was 16.0%.

SELECTED FINANCIAL INFORMATION

<i>\$000's, except per unit amounts</i>	Three month period ended		Year ended	
	December 31,		December 31,	
	2009	2008	2009	2008
Revenue	\$ 35,243	\$ 35,143	\$ 136,853	\$ 131,632
Property NOI	23,653	23,622	93,363	91,081
DI	11,706	14,117	50,690	55,170
FFO	11,998	14,137	52,353	54,600
DI per unit (basic)	0.32	0.43	1.48	1.68
FFO per unit (basic)	0.32	0.43	1.53	1.66
Distributions	0.27	0.27	1.08	1.07
FFO payout ratio	84.4%	62.8%	70.6%	64.5%

\$000's	December 31, 2009	December 31, 2008
Total assets	\$ 1,190,209	\$ 1,243,693
GBV	1,356,994	1,374,377
Mortgages, loans and bank indebtedness	642,963	708,869
Debt to GBV	47.4%	51.6%

"2009 was a year of significant change for Artis, as we took the opportunity to reposition the portfolio through selective dispositions in the earlier part of the year. As access to the debt and equity markets improved over the course of the year, we were pleased to be able to raise new capital and make new accretive acquisitions while diversifying our portfolio," said Armin Martens, President and Chief Executive Officer. "Our continuing operations performed well and we anticipate on-going improvements in 2010, as capital is deployed into new income-producing assets."

Financing Activities

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 \$9.00 per unit for aggregate proceeds of \$5.0 million pursuant to a non-brokered private placement agreement.

On October 6, 2009, Artis issued 3,400,000 units at a price of \$9.00 per unit for gross proceeds of \$30.6 million. On October 22, 2009, the underwriting syndicate exercised its full over-allotment option and a further 510,000 units were issued for gross proceeds of \$4.6 million.

Subsequent to December 31, 2009, Artis announced two public offerings of units. On January 26, 2010, Artis issued 5,290,000 units (including the exercise of the underwriters' overallotment option) at a price of \$11.00 per unit for gross proceeds of \$58.2 million. On February 25, 2010, Artis announced a public offering of 4,450,000 units at a price of \$11.25 per unit for gross proceeds of \$50.1 million. The offering closed on March 16, 2010. The underwriters have an option to purchase an additional 667,500 units at \$11.25 per unit.

Approximately 11.6% of Artis' mortgage debt is maturing in 2010 and 6.4% is maturing in 2011. As of today's date, approximately 40% of the 2010 maturities have been either repaid or refinanced. Management is currently in discussion with various lenders with respect to the remaining 2010 and 2011 refinancings.

Portfolio Acquisition and Disposition Activity

During 2009, Artis acquired a total of 16 properties. In conjunction with the sale of a Calgary office property on October 1, 2009, Artis acquired a 25,000 square foot flex-Industrial property in Airdrie Alberta. On October 29, 2009, Artis acquired the Winnipeg Industrial Portfolio from ING, which is comprised of 13 multi-tenant light and flex-industrial properties located in Winnipeg, Manitoba. The net rentable area of the portfolio is over 721,000 square feet, and it was 92.3% occupied at acquisition, excluding one property in development. Artis also acquired a 50% interest in the Cliveden Building, a 139,276 square foot industrial building in Delta, British Columbia and the Kincaid Building, a 182,547 square foot office building in Burnaby, British Columbia. The transaction closed on December 15, 2009.

During 2009, the REIT sold the properties known as the Plainsman Building, Airways Business Plaza and Glenmore Commerce Court, McKnight Village Mall, Albert Street Mall, Bridges Place, Willowglen Business Park, Franklin Showcase Warehouse and Raleigh Shopping Centre at a weighted average capitalization rate of 7.7%. The gross proceeds from the sale of these buildings, net of costs, were \$100.5 million and Artis recorded an aggregate net gain of \$14.9 million on the transactions. Mortgages in the amount of \$52.7 million were assumed by the purchaser, and the REIT paid out \$6.2 million of existing mortgages.

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 issued pursuant to Interplex II 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.

Subsequent to December 31, 2009, Artis closed \$48.8 million of acquisitions. On February 25, 2010, Artis announced it had entered into \$118.7 million of unconditional and \$24.3 million of conditional agreements to acquire properties.

On March 1, 2010, Artis entered into an unconditional agreement to acquire the retail property known as Sunrise Town Square for \$22.7 million, and on March 12, 2010, Artis entered into an unconditional agreement to acquire the retail property known as the Visions Building for \$11.3 million. Additional details of these acquisition activities can be found in the REIT's 2009 Annual Management's Discussion and Analysis, filed on SEDAR or available on the company's web site at www.artisreit.com.

Liquidity and Capital Resources

At December 31, 2009, Artis had \$35.9 million of cash and cash equivalents on hand. Subsequent to December 31, 2009, Artis realized \$108.3 million of gross proceeds from the issuance of new units. A portion of these proceeds, in addition to newly arranged mortgage financing, was used to fund \$48.8 million of acquisitions that closed subsequent to year end and for debt repayment and working capital purposes.

At December 31, 2009, Artis had \$30.7 million drawn on the line of credit; subsequent to year end that balance was repaid. The full \$60.0 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 December 31, 2009, the ratio of mortgages, loans and bank indebtedness to GBV was 47.4% a decrease from 51.6% at December 31, 2008. Including the convertible debentures, the ratio is 53.7% at December 31, 2009, a decrease from 54.8% at December 31, 2008. The ratio is well within the 70% limit set out in the REIT's Amended and Restated Declaration of Trust.

Liquidity and capital resources will be impacted by the financing and acquisition activities announced subsequent to December 31, 2009.

Operational Improvements and Internal Growth

Portfolio occupancy at December 31, 2009 remained strong at 96.6% (98.1% including commitments on vacant space). Excluding GAAP adjustments for straight-line rent and above- and below-market rent adjustments, Q4-09 same Property NOI results increased 3.3% over Q4-08; year-over-year, same Property NOI growth increased 5.2%. The same Property NOI growth was driven primarily by increases in base rental rates achieved on lease turnovers.

In Q4-09 Artis leased or renewed 204,571 square feet of leasable area at a weighted average rate of \$9.86. The weighted average rate is lower than the \$11.44 weighted average rate on expiries in the period due to the significant amount of industrial square footage absorbed from vacancy in the period. The weighted average rate increase on renewals only in Q4-09 was 9.1%. Year-to-date, the weighted average growth rate on leasing activity was 10.3% and the rate increase on renewals only was 16.0%. Tenant retention for the year was 70%. At December 31, 2009, the weighted average in-place rent per square foot across the portfolio was \$12.93, compared to \$11.27 at December 31, 2008.

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 December 31, 2009 for the 2010 and 2011 lease expiries are approximately 11.1% and 5.3% higher than the rates in place at lease expiry.

Considering all properties owned at December 31, 2009, 15.9% of the portfolio's leasable area is set to expire in 2010 and 14.4% in 2011. As of today's date, 45.3% of the 2010 and 15.9% of the 2011 leasing programs have been completed. Tenant retention thus far is 83.3% and a weighted average rental increase of 7.2% has been achieved on renewals.

Portfolio Leasing and Tenant Profile

Artis' lease expiry profile at December 31, 2009 is summarized as follows:

Expiry Year	British Columbia	Saskatchewan	Manitoba	Alberta	Calgary Office		Total
					Only		
2010	0.4%	1.1%	8.6%	5.8%	1.1%		15.9%
2011	0.2%	0.8%	5.8%	7.6%	3.9%		14.4%
2012	1.2%	0.2%	4.4%	3.6%	2.0%		9.4%
2013	0.3%	1.8%	5.3%	6.9%	4.3%		14.3%
2014	0.7%	1.1%	6.9%	3.6%	0.7%		12.3%
2015 & Later	3.1%	2.0%	5.9%	17.0%	6.6%		28.0%
M-T-M	0.0%	0.0%	0.2%	0.1%	0.0%		0.3%
Vacancies	1.8%	0.0%	1.6%	2.0%	1.1%		5.4%
Total GLA	522,958	476,230	2,638,120	3,176,406	1,345,019		6,813,714

Considering all properties owned at December 31 2009, Artis' portfolio includes over 1,220 tenant leases with a weighted average term to maturity of 4.8 years. 56.3% of the REIT's GLA is occupied by national tenants, 9.7% by government tenants and the remainder by regional and local tenants. The top ten tenants account for 23.5% of the portfolio's gross revenues at December 31, 2009 with a weighted average lease term is 8.7 years.

Additional information about the REIT's portfolio can be found in the Management's Discussion and Analysis for the three and twelve month periods ending December 31, 2009.

Upcoming Webcast and Conference Call:

Interested parties are invited to participate in a conference call with management on Wednesday, March 17, 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 March 17, 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 March 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 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.