



FOR IMMEDIATE RELEASE

MAY 16, 2008

ARTIS REAL ESTATE INVESTMENT TRUST INCREASES MONTHLY DISTRIBUTION TO \$0.09 PER TRUST UNIT

Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis" or the "REIT") announced that its trustees have approved a 3% increase in monthly cash distributions from \$0.0875 per unit (\$1.05 per unit annualized) to \$0.09 per unit (\$1.08 per unit annualized). The Trustees have declared that a cash distribution of \$0.09 per unit will be made on June 13, 2008 to Unitholders of record on May 31, 2008.

"Artis entered 2008 with a solid balance sheet and a strong embedded growth profile. As previously reported, at March 31, 2008, our distribution payout ratio declined to 65% of funds from operations, compared to 93% at March 31, 2007. This reduction reflects the impact of acquisitions concluded in the past year, as well as internal growth achieved as tenant leases renewed at higher current market rates," said Armin Martens, CEO of Artis. "In place rents in the portfolio remain well below market and the fundamentals in our target market - western Canada - remain strong. These were key factors in the Board's decision to raise the distributions," said Martens.

As at the date hereof, there are an aggregate of 32,609,643 Units and Class B exchangeable limited partnership units of AX L.P. issued and outstanding.

Artis is a growth-oriented real estate investment trust focused exclusively on commercial properties located in primary and growing secondary markets in western Canada, particularly in Alberta. 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.

Artis owns approximately \$1.3 billion of commercial property, comprising approximately 6.3 million square feet of leasable area in 86 properties. Leasable area is approximately 30.7% in Manitoba, 7.8% in Saskatchewan, 55.9% in Alberta, and 5.6% in B.C.; by asset class the portfolio is 33.0% retail, 41.6% office and 25.4% industrial.

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.

For further information please contact Mr. Armin Martens, President and Chief Executive Officer,
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The Toronto Stock Exchange does not accept responsibility for the adequacy or accuracy of this press release.

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