FOR IMMEDIATE RELEASE **AUGUST 13, 2008**

ARTIS RELEASES SOLID Q2-08 RESULTS; REPORTS FUNDS FROM OPERATIONS OF $0.41 PER UNIT

Today Artis Real Estate Investment Trust (“Artis” or "the REIT") issued its financial results and achievements for the three month and six month periods ended June 30, 2008.

"2008 continues to unfold as expected, with our strong internal growth profile driving increases in revenues, Property NOI, as well as FFO on a per unit basis,” said Armin Martens, Chief Executive Officer of Artis REIT. “We are pleased to report that Artis’ 2008 leasing program is now 80% complete; and we are already working ahead on our 2009 renewals. As a result of our efforts, as at June 30, 2008, our portfolio was 98.7% leased, and our growth in same Property NOI in Q2-08 over Q2-07 was a solid 9.1%".

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- ♦ Effective May 31, 2008, Artis increased the per unit distribution rate from $0.0875 per month to $0.09 per month ($1.05 to $1.08 on an annualized basis).
- ♦ Q2-08 revenue increased 57.3% to $35.3 million; year-to-date, revenue increased 73.0% to $68.8 million.
- ♦ Q2-08 net operating income ("NOI") increased 63.2% to $24.4 million over Q2-07 to reach a total of $47.7 million.
- ♦ Q2-08 distributable income ("DI") increased 58.9% to $13.6 million; year-to-date, DI increased 85.4% to $26.9 million. DI per unit increased $0.05 (13.5%) to $0.42; year-to-date, DI per unit increased $0.14 (20.6%) to $0.82.
- ♦ Q2-08 funds from operations ("FFO") increased 68.5% to $13.4 million; year-to-date, FFO increased 97.5% to $26.4 million. FFO per unit increased $0.07 (20.6%) to $0.41; year-to-date, FFO per unit increased $0.18 (28.6%) to $0.81.
- ♦ Q2-08 same Property NOI (excluding non-cash revenue adjustments) increased 9.1% over Q2-07 as a result of positive absorption of space in the properties and rate increases achieved on lease rollovers, particularly in Alberta.
- ♦ $12.7 million of accretive acquisitions in western Canada were completed in Q2-08.
- ♦ At June 30, 2008, mortgage debt-to-gross book value ("GBV") was 49.6% compared to 50.1% at March 31, 2008, 49.2% at December 31, 2007.
- ♦ At June 30, 2008, the interest coverage ratio was 2.4.
- ♦ At June 30, 2008, portfolio occupancy increased to 97.8% (98.7% including committed space) from 97.5% at March 31, 2008.

SELECTED FINANCIAL INFORMATION

(unaudited) *$000's, except per unit amounts*	Three month period ended June 30,		Six month period ended June 30,	
	2008	**2007**	**2008**	**2007**
Revenue	$ 35,310	$ 22,442	$ 68,771	$ 39,763
NOI	24,374	14,937	47,657	26,416
DI	13,633	8,579	26,856	14,487
FFO	13,412	7,958	26,384	13,361
DI per unit (basic)	**0.42**	**0.37**	**0.82**	**0.68**
FFO per unit (basic)	**0.41**	**0.34**	**0.81**	**0.63**
Distributions	**0.27**	**0.26**	**0.53**	**0.53**
FFO payout ratio	**65.9 %**	**76.5 %**	**65.4 %**	**84.1 %**

	June 30, 2008	December 31, 2007
Total assets	$ 1,204,766	$ 1,176,448
GBV	1,305,843	1,247,047
Mortgages, loans and bank indebtedness	658,076	612,996
Mortgages, loans and bank indebtedness to GBV	50.4 %	49.2 %

Operational Improvements and Internal Growth:

On a same property basis, occupancy increased from 97.1% at June 30, 2007 to 98.1% at June 30, 2008.

Quarterly growth in same Property NOI (excluding GAAP adjustments for straight line rent and above- and below-market rent adjustments) was 9.1% (year-to-date, 7.2%). The same property growth was driven primarily by increases in base rental rates achieved on lease turnovers. In Q2, the weighted average rental rates achieved on leases renewed in the period were approximately 26.4% higher than the rates in place at expiry.

More details on lease expiries and average in place rents can be found in the REIT's June, 2008 supplemental information package. The supplemental information package, as well as the audited annual consolidated financial statements for the years ended December 31, 2007 and 2006, the unaudited interim consolidated financial statements for the periods ended June 30, 2008 and 2007, management’s discussion and analysis for June 30, 2008, and the 2007 annual information form can be accessed from the REIT's web site at www.artisreit.com.

Portfolio Growth:

During Q2-08, Artis acquired two retail properties, adding approximately 32,000 square feet of leasable area to the portfolio. The acquisitions included the purchase of Edson Shoppers, a 100% occupied newly constructed retail development anchored by a new format Shoppers Drug Mart, and a small neighbourhood strip mall in Winnipeg. Artis also acquired the McDermot Parkade, a multi-level, 295 stall, downtown parkade in Winnipeg, located ancillary to two existing portfolio office properties.

2008 Outlook:

Management anticipates that there will be additional growth in revenues, Property NOI, DI and FFO as available cash is invested in on-going acquisition activities in future periods, and as below-market leases are renewed at higher rates, particularly in Alberta, where the gap between in-place rents and market rents is highest.

On July 31, 2008 Artis announced that it would be selling two Class “B” suburban office properties in Calgary for $24.9 million, based on a capitalization rate of approximately 6.3%. The REIT expects to realize a gain of approximately $6.5 million (or $0.20 per unit) on the transaction and net proceeds of approximately $12.2 million. The sale is expected to be concluded in Q3-08 and the REIT will redeploy the net proceeds of $12.2 million into new acquisitions.

Artis currently has unconditional agreements to acquire two properties, as well as a conditional agreement to acquire a third building. Full details of these transactions are in the REIT's press release of July 31, 2008. Going-in cash capitalization rates on the acquisitions range from 6.6% to 8.2% and the acquisitions include class “A” and Class “B” office properties in B.C., as well as a Class “A” industrial property in Calgary. Artis will finance these acquisitions from cash on hand, and mortgage and other financing.

Artis continues to have a very strong embedded growth profile. At June 30, 2008, Artis estimates that the gap between in place rental rates and current market rental rates on the 575,000 square feet of leases expiring in the balance of 2008 is over $8 per square foot on average; in-place rents are over 40% below market rates. As these leases expire and are renewed at current market rates, this will be an additional source of growth in revenues, Property NOI, DI and FFO.

Artis has minimal exposure to financing risk in the near term, with 2% of its mortgage debt maturing late in 2008 and 4% maturing in 2009. The REIT does not anticipate difficulty in renewing or replacing these mortgages.

Upcoming Webcast and Conference Call:

Interested parties are invited to participate in a conference call with management at 1:00 p.m. EST on Thursday, August 14, 2008. In order to participate, please dial 1-416-641-6135 or 1-866-542-4262. You will be required to indentify 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 14, 2008, a replay of the conference call will be available by dialing 1-416-695 5800 or 1-800-408-3053 and entering passcode #3266107. The replay will be available until August 21, 2008. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

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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 6.27 million square feet of leasable area in 86 properties. Leasable area is approximately 30.7% in Manitoba, 7.9% in Saskatchewan, 55.8% 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.

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. 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 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.