



PROPERTIES OF SUCCESS



SEPTEMBER, 2009 Q2-09 INSTITUTIONAL INVESTOR PRESENTATION



FORWARD-LOOKING DISCLAIMER

Certain information included in this presentation contains forward-looking statements within the meaning of applicable securities laws. 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 Real Estate Investment Trust (“Artis REIT”) is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of Artis 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 REIT cannot assure investors that actual results will be consistent with any forward-looking statement and Artis REIT assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances.

This presentation does not constitute an offer to sell or a solicitation of an offer to purchase securities of Artis REIT.



NOTICE RESPECTING NON-GAAP MEASURES

Distributable Income (“DI”), Property Net Operating Income (“Property NOI”) and Funds from Operations (“FFO”) are non-GAAP measures commonly used by Canadian income trusts as an indicator of financial performance. “GAAP” means the generally accepted accounting principles described by the Canadian Institute of Chartered Accountants which are applicable as at the date on which any calculation using GAAP is to be made.

Artis REIT calculates Distributable Income, or “DI”, to reflect distributable cash which is defined in the REIT’s Declaration of Trust as net income in accordance with GAAP, subject to certain adjustments as set out in the Declaration of Trust, including: (i) adding back amortization (excluding leasing costs) and accretion to the carrying value of debt and (ii) excluding gains or losses on the disposition of any asset, and (iii) adding or deducting other adjustments as determined by the Trustees at their discretion. Given that one of the REIT’s objectives is to provide stable cash flows to investors, management believes that DI is an indicative measure for evaluating the REIT’s operating performance in achieving its objectives.

Artis REIT calculates Property NOI as revenues, prepared in accordance with GAAP, less property operating expenses such as taxes, utilities, repairs and maintenance. Property NOI does not include charges for interest and amortization. Management considers Property NOI to be a valuable measure for evaluating the operating performance of the REIT’s properties.

Artis REIT calculates FFO, substantially in accordance with the guidelines set out by the Real Property Association of Canada (“RealPAC”). Management considers FFO to be a valuable measure for evaluating the REIT’s operating performance in achieving its objectives.



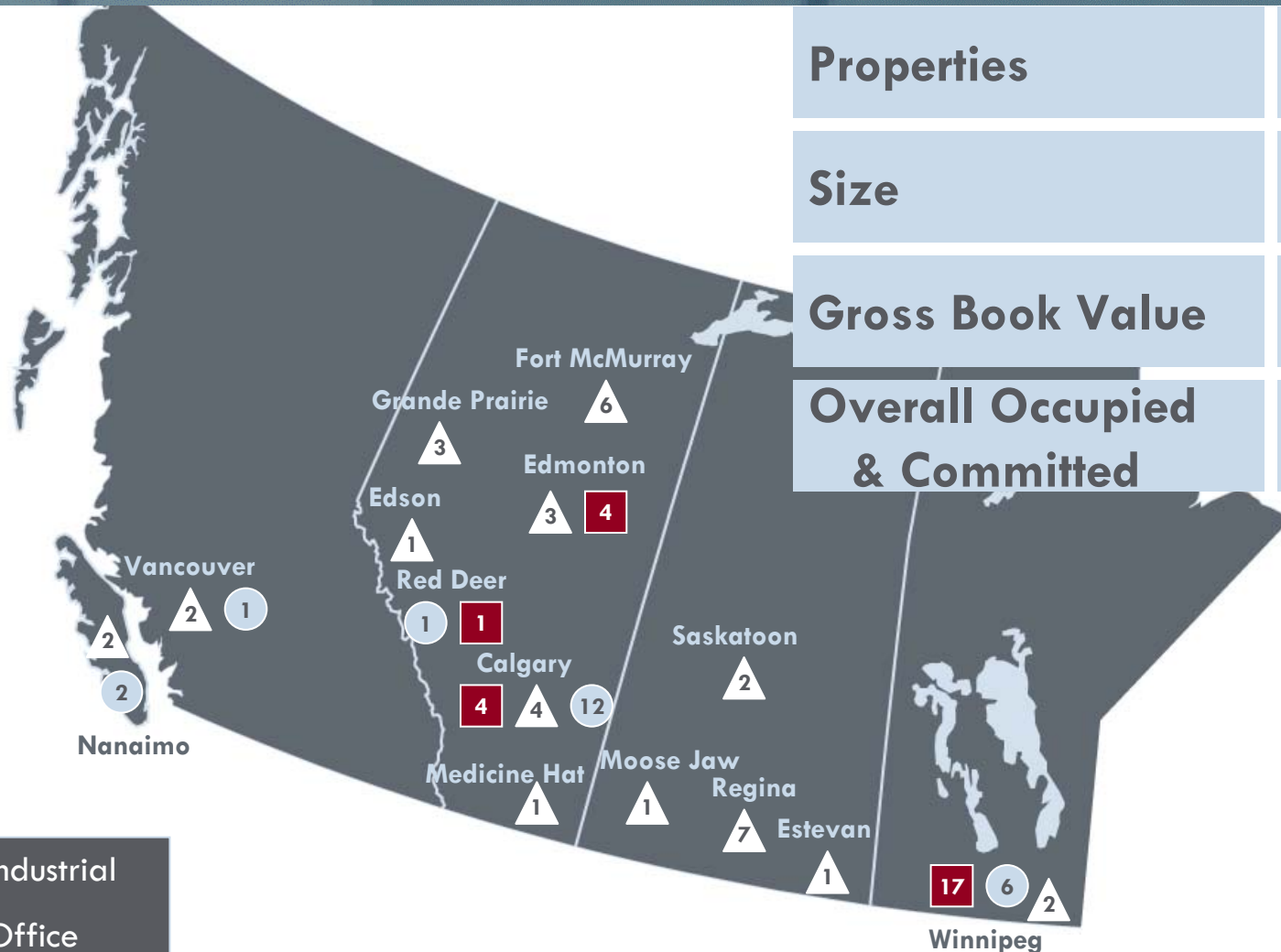
UNIQUE FOUR PART STRATEGY

- 1. Geographic focus: western Canada only**
- 2. Product focus: commercial real estate only**
 - industrial
 - office
 - retail
- 3. External growth: via accretive acquisitions in our target markets**
- 4. Internal growth: via active asset management and new developments**





PORTFOLIO OVERVIEW



Properties

83

Size

6.3 M sq.ft.

Gross Book Value

\$1.31 B

**Overall Occupied
& Committed**

96.8%⁽¹⁾

■ = Industrial
● = Office
▲ = Retail

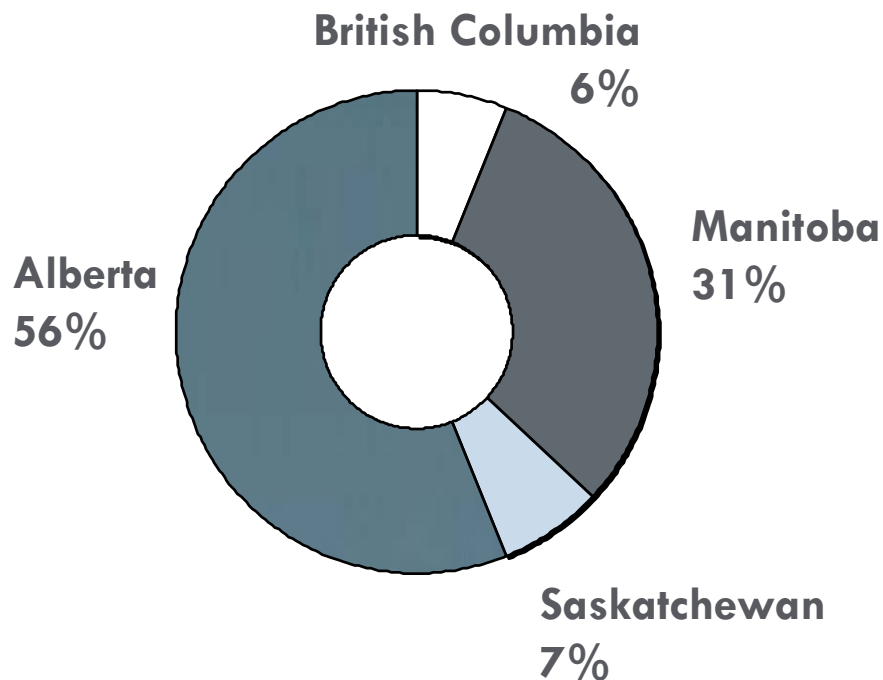
Portfolio Assets as at June 30, 2009, less dispositions completed at August 11, 2009

⁽¹⁾ Excluding properties in redevelopment

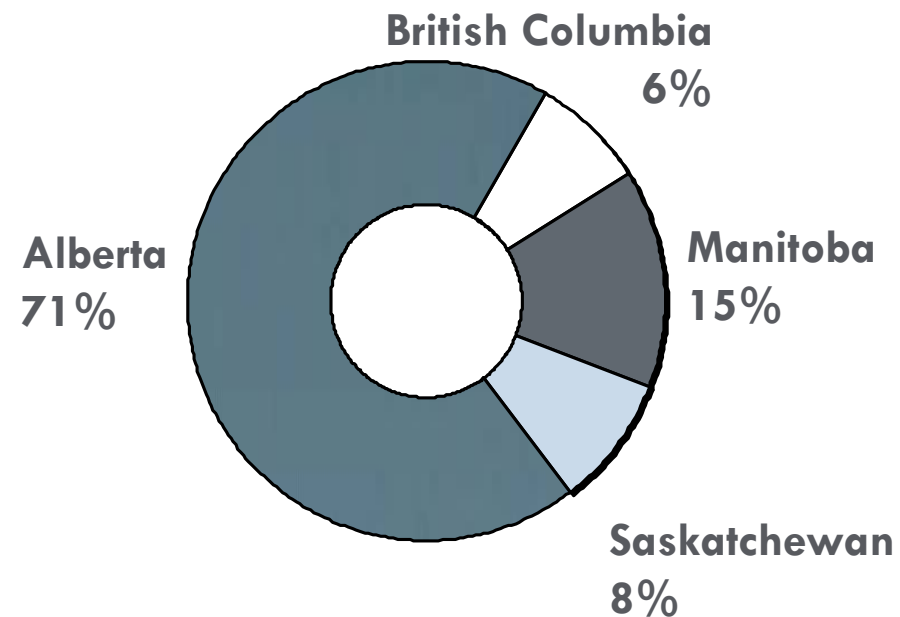


PORTFOLIO SUMMARY

Property GLA by Province



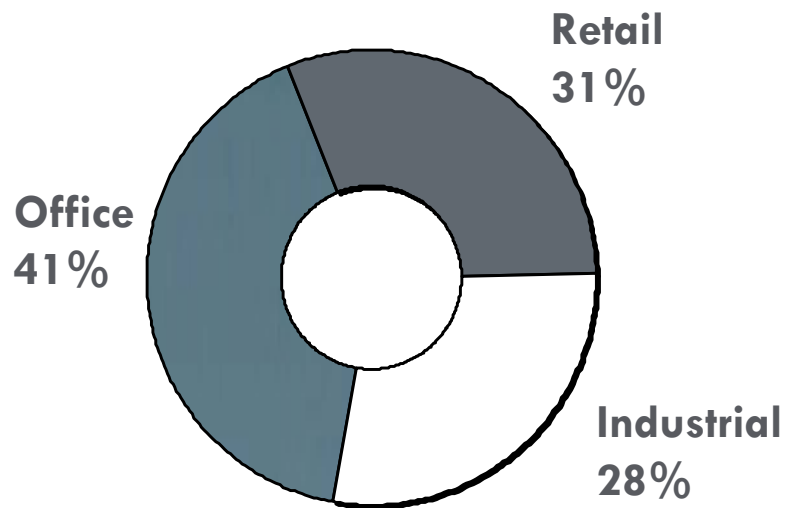
Property NOI by Province





PORTFOLIO SUMMARY

Property GLA by Asset Class



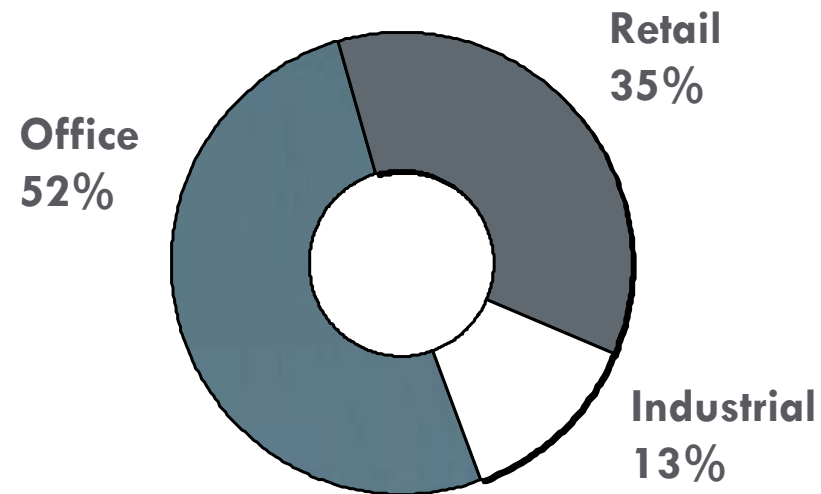
Calgary Downtown Office (% of total portfolio) = 4.6%

Calgary Suburban Office (% of total portfolio) = 14.7%

Calgary Beltline Office (% of total portfolio) = 6.6%

Total Calgary Office (% of total portfolio) = 25.9%

Property NOI by Asset Class



Calgary Downtown Office (% of total portfolio) = 9.2%

Calgary Suburban Office (% of total portfolio) = 18.1%

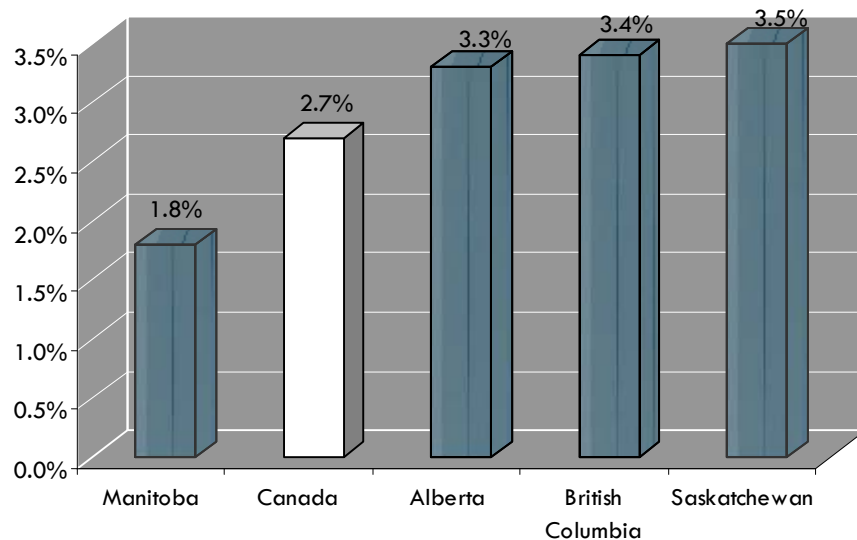
Calgary Beltline Office (% of total portfolio) = 11.7%

Total Calgary Office (% of total portfolio) = 39.0%

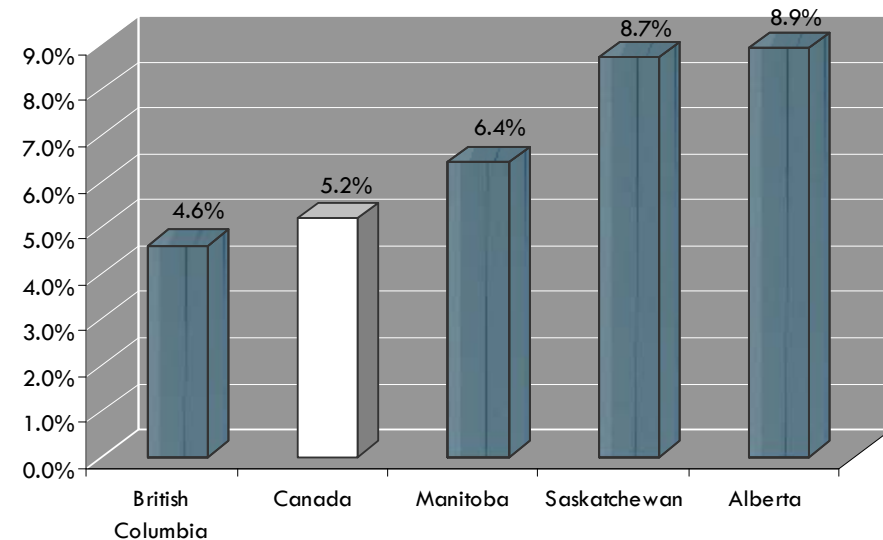


ROBUST WESTERN ECONOMY

GDP Growth 2010f



Average Retail Sales Growth Year Over Year, 2004-2008



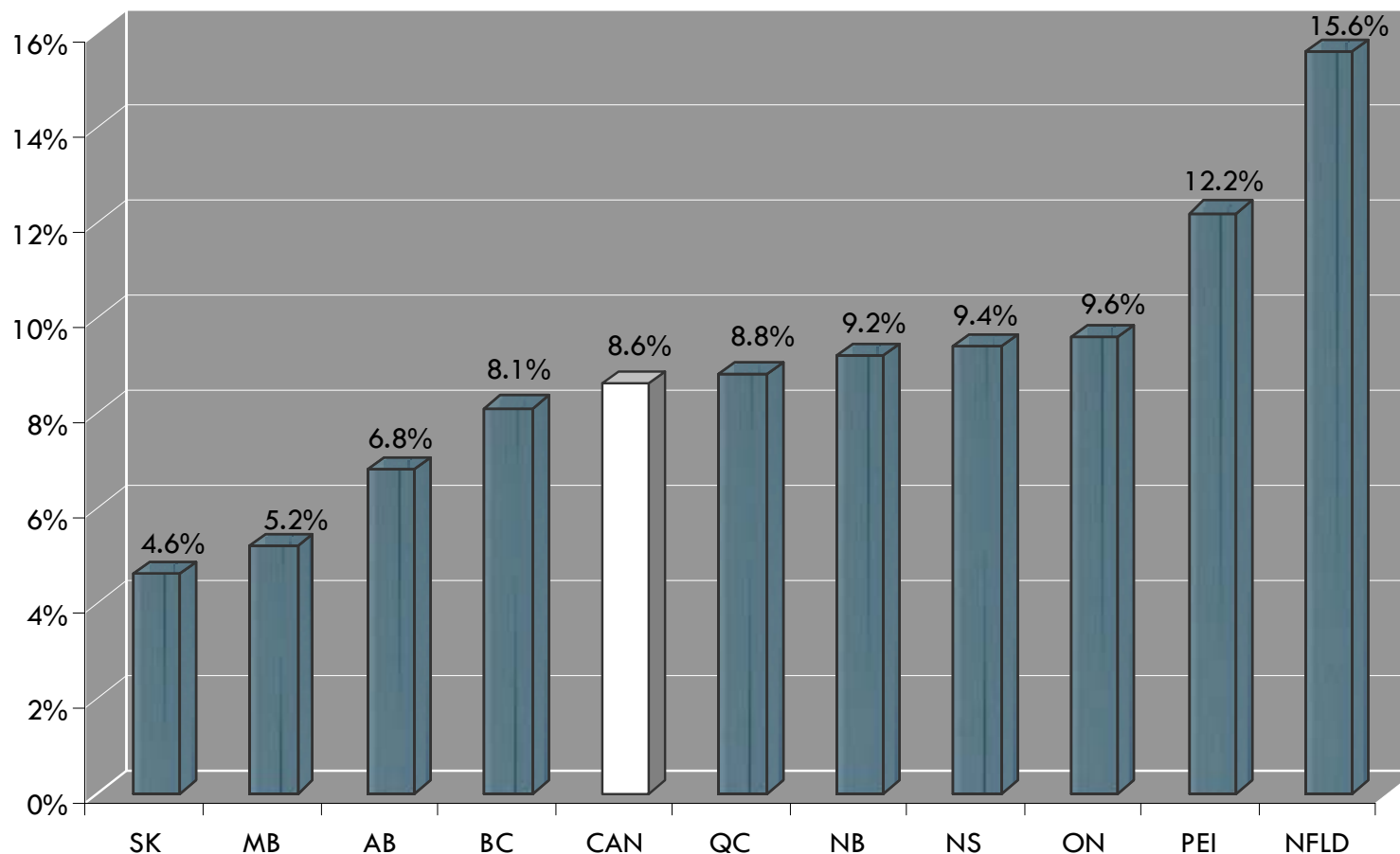
Source Chart 1: Conference Board of Canada Summer 2009

Chart 2: Statistics Canada



ROBUST WESTERN ECONOMY

Provincial Unemployment Rates July - 2009



Source Statistics Canada July 2009



PORTFOLIO OVERVIEW

10 Largest Tenants by Gross Revenue



Approximately 24.1% of Gross Revenue
excluding government tenants

Portfolio Assets as at June 30, 2009, less dispositions completed at August 11, 2009



PORTFOLIO OVERVIEW

Government Tenants

10.1% of Gross Revenue



Government
of Canada

Approximately 3.8% of Gross
Revenue from Federal Government
Tenants



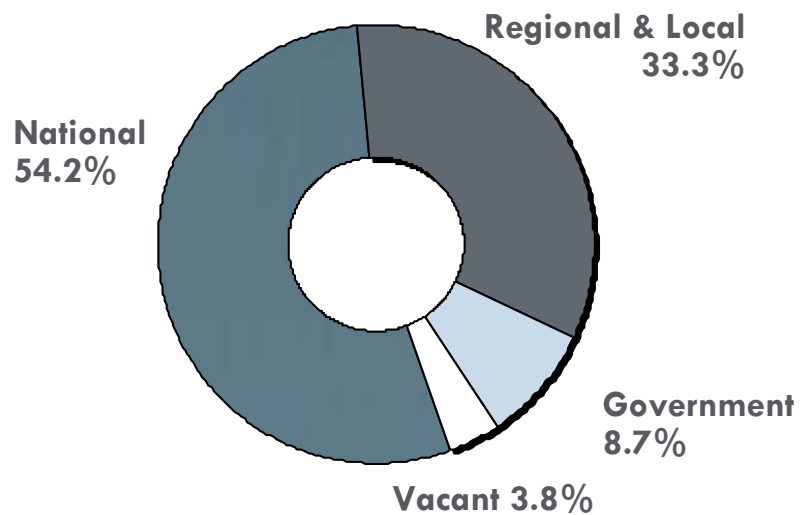
Approximately 4.8% of Gross
Revenue from Provincial Government
Tenants

Approximately 1.5% of Gross
Revenue from Civil/Municipal
Government Tenants



PORTFOLIO OVERVIEW — 62.9% of Tenants are Government and National⁽¹⁾

Diversification by Tenant Size (GLA)⁽¹⁾



Weighted Average Term to Maturity⁽²⁾

All Leases	4.97 Years
Top 10 Tenants	9.21 Years
Government Tenants	3.58 Years



⁽¹⁾ Portfolio Assets as at June 30, 2009, less dispositions completed at August 11, 2009 and properties under development

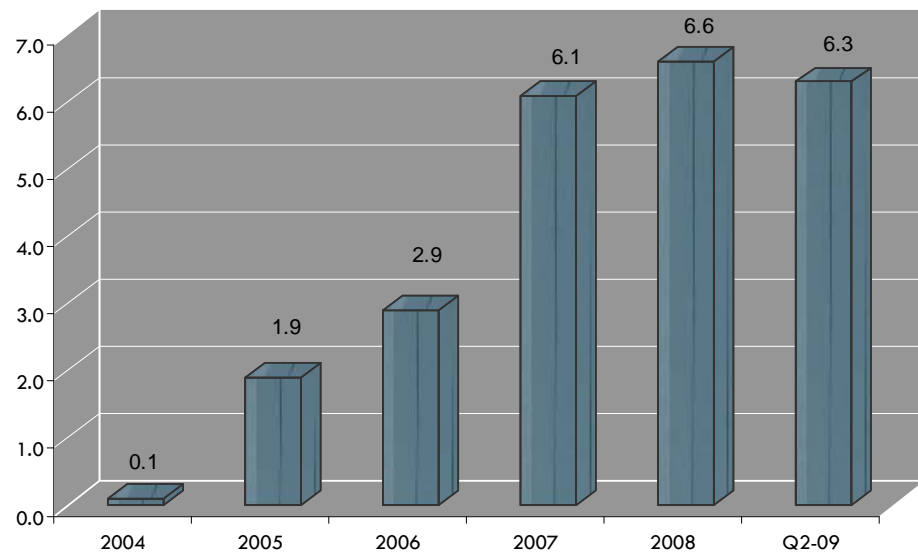
⁽²⁾ Portfolio Assets as at June 30, 2009, less dispositions completed at August 11, 2009



PORTFOLIO OVERVIEW

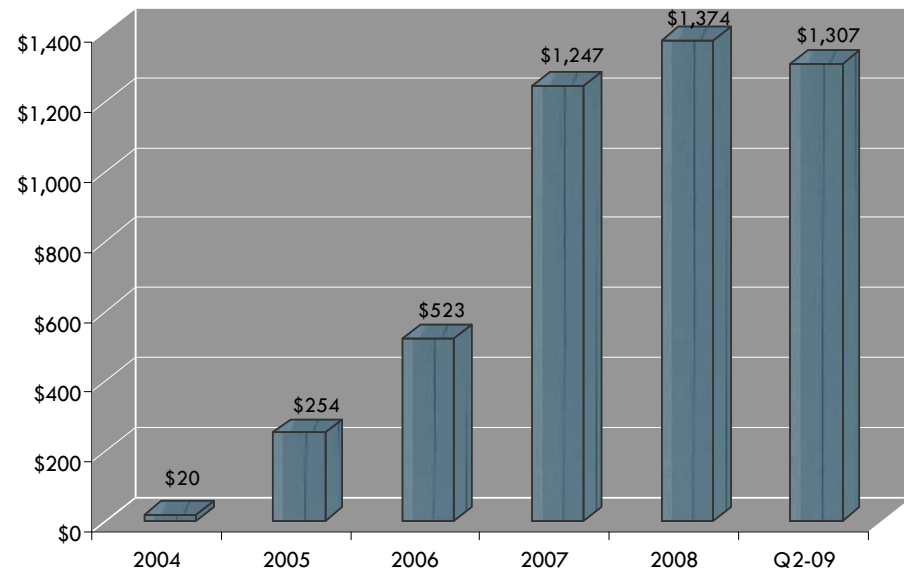
GLA
6.3 M sq.ft.

(M sq.ft.)



Gross Book Value
\$1.31 B

(\$M)

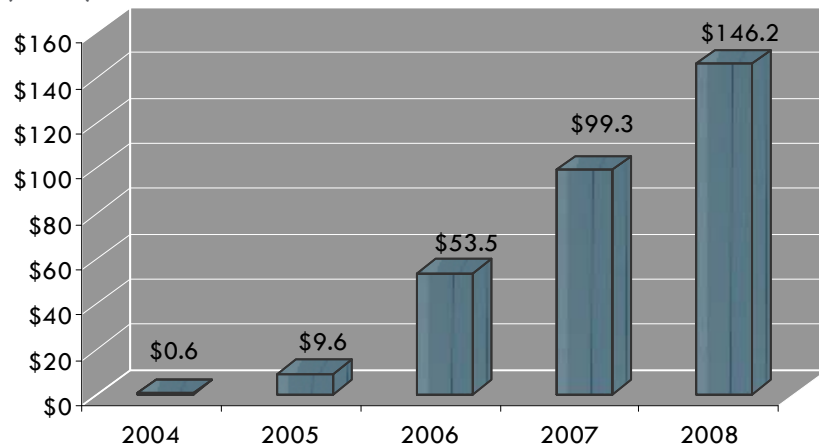




ANNUAL INFORMATION

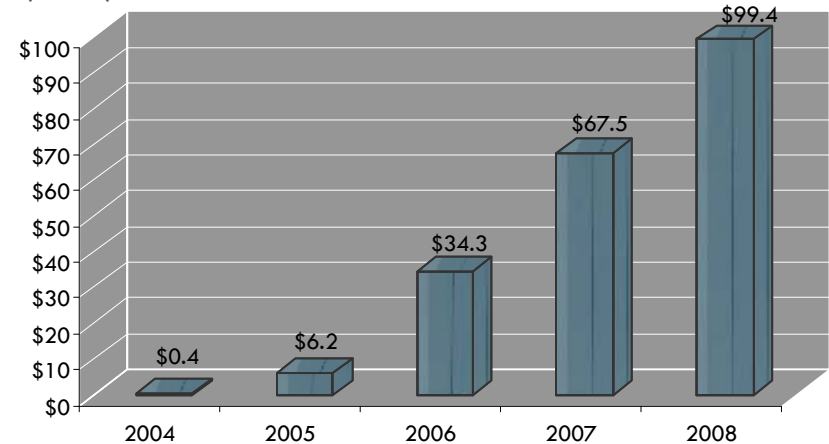
Revenues ⁽¹⁾

In (000's)

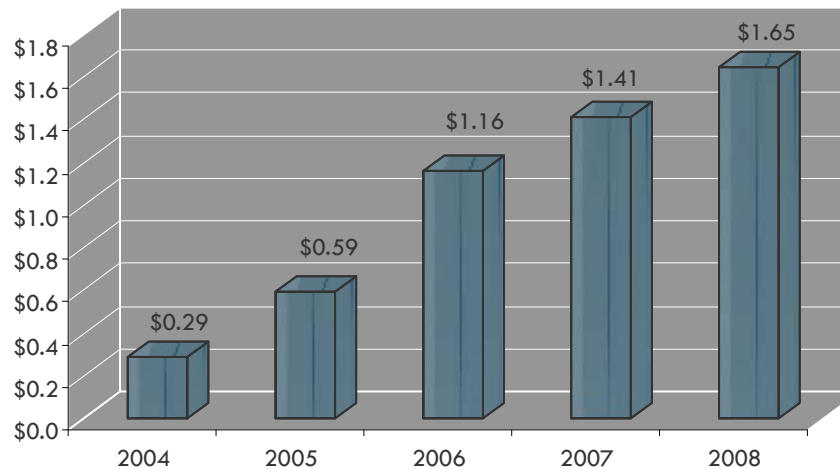


Property NOI ⁽¹⁾

In (000's)



FFO/unit



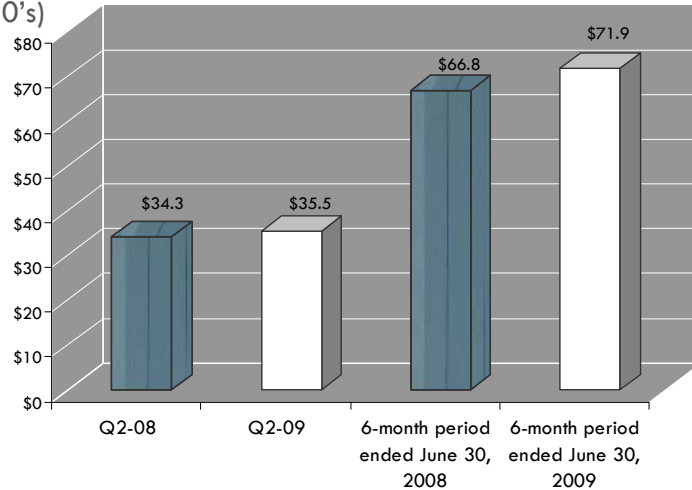
⁽¹⁾ From continuing and discontinued operations



2009 YEAR TO DATE INFORMATION

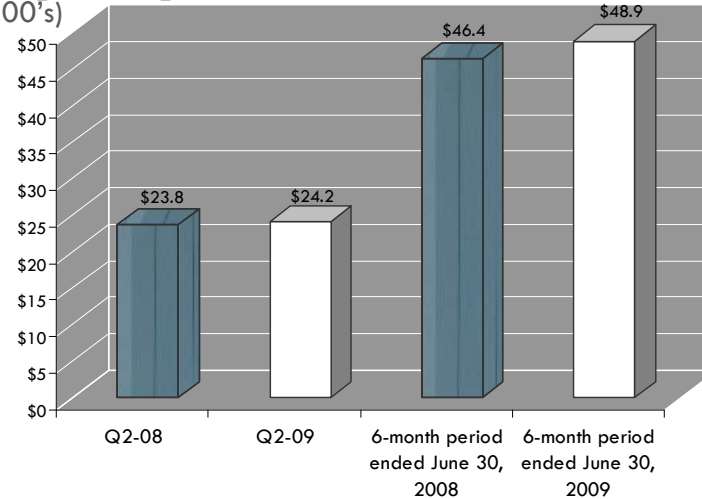
Revenues ⁽¹⁾⁽²⁾

In (000's)

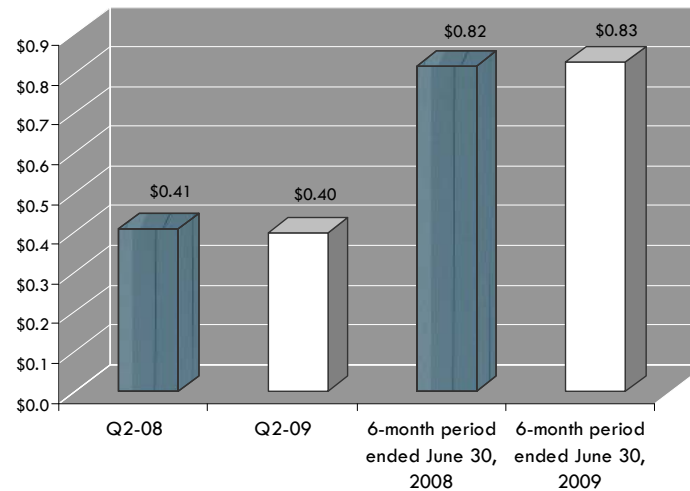


Property NOI ⁽¹⁾⁽²⁾

In (000's)



FFO/unit



(1) From continuing operations

(2) 2008 comparative results have been restated for discontinuing operations



FINANCIAL RESULTS

(\$000's, except unit and
per unit amounts)

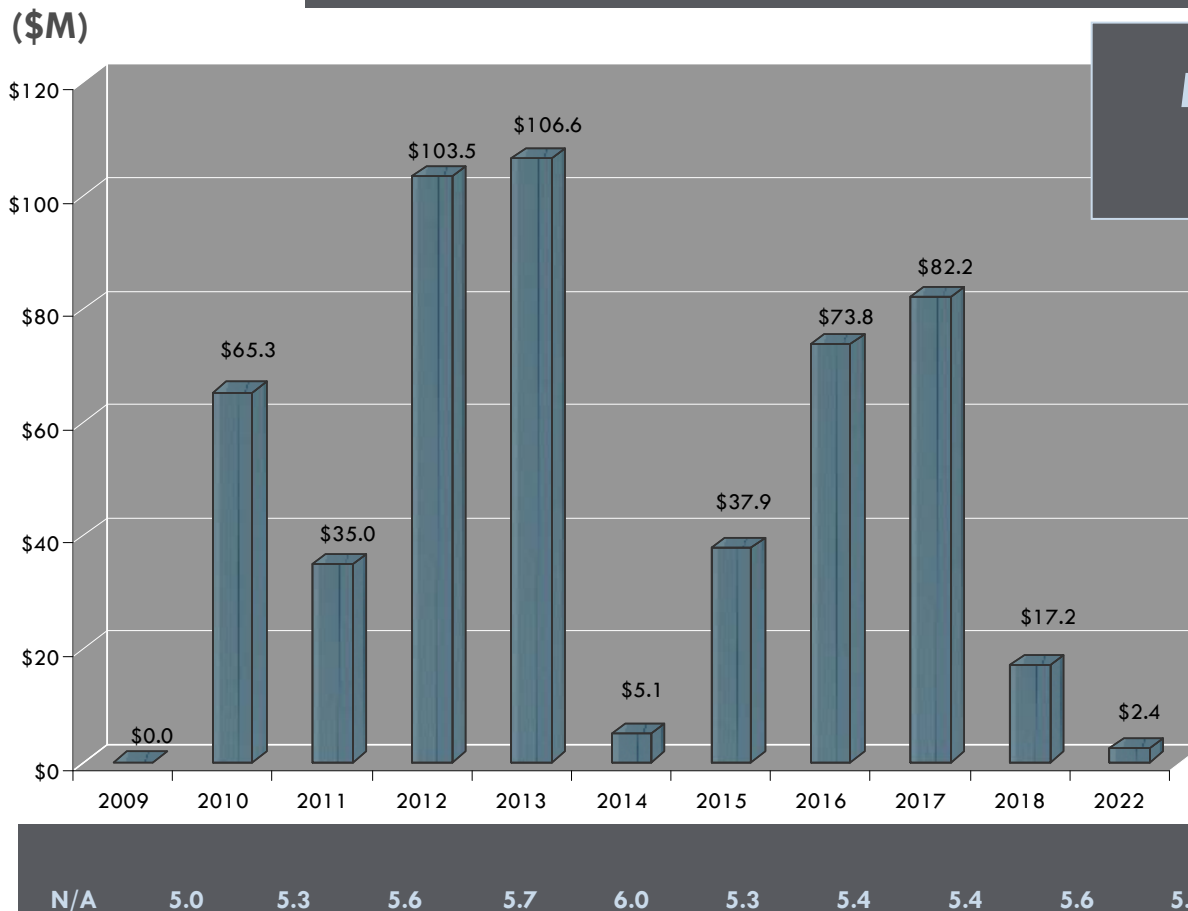
Three month period ended
June 30

	2009	2008
DI	\$12,899	\$13,740
DI per unit	\$0.39	\$0.42
DI year over year increase	-7.1%	
DI payout ratio	69.2%	64.3%
FFO	\$13,147	\$13,519
FFO per unit	\$0.40	\$0.41
FFO year over year increase	-2.4%	
FFO payout ratio	67.5%	65.9%



PORTFOLIO OVERVIEW

Schedule of Mortgages Maturing ⁽²⁾



Mortgage to Gross Book Value ⁽¹⁾ 48.8%

⁽¹⁾ As at June 30, 2009

⁽²⁾ As at June 30, 2009 adjusted to exclude mortgages related to dispositions and mortgages repaid or refinanced by September 1, 2009.

Weighted average interest rate maturing by year (%)



PORTFOLIO OVERVIEW

MORTGAGE PROFILE

**Weighted Average Term of
4.51 Years⁽¹⁾**

**Weighted Average Interest
Rate⁽¹⁾ 5.41%**

Interest Coverage Ratio⁽²⁾ 2.3



Winnipeg Square

⁽¹⁾ Mortgage Financing In-Place as at June 30, 2009, less dispositions completed at August 11, 2009

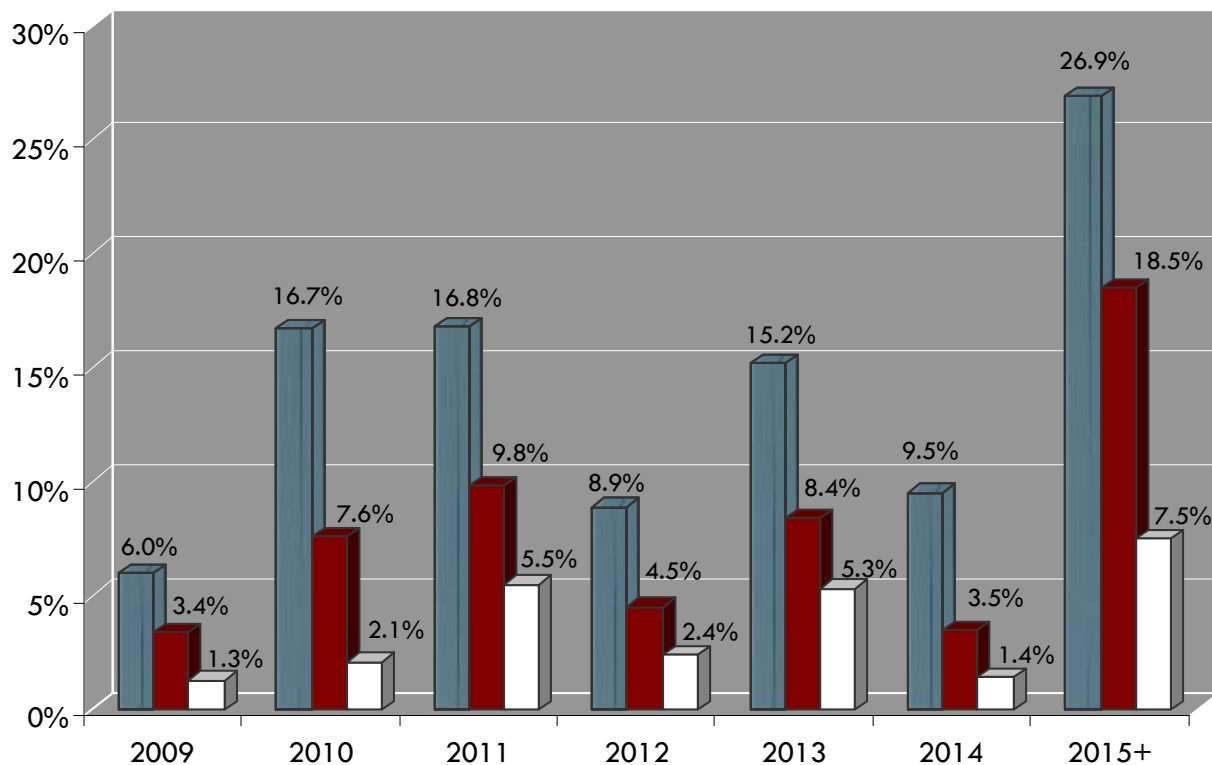
⁽²⁾ Mortgage Financing In-Place as at June 30, 2009



PORTFOLIO OVERVIEW

Lease Expiration Schedule

- Expiries in All Provinces (% of Leased Area)**
- Expiries in Alberta (% of Leased Area)**
- Expiries in Calgary Office (% of Leased Area)**



Expiries as at June 30, 2009, less dispositions completed at August 11, 2009

As at June 30, 2009

53% of remaining 2009 expiries are renewed or new lease commitment secured ⁽¹⁾

17% of 2010 expiries and 17% of 2011 expiries are renewed ⁽¹⁾

Weighted average term to maturity is 4.97 years ⁽¹⁾



INTERNAL GROWTH

Year over Year Occupancy

	Portfolio Occupancy ⁽¹⁾	Same Property Occupancy ⁽²⁾
Q2-08	97.8%	97.9%
Q2-09	96.2%	96.6%

Increasing Rental Income as Leases Turn Over⁽³⁾

	Leasable Sq. Ft. (000's)	In-Place Rent	Leased Sq. Ft. (000's)	Market Rent	% Change	Change in \$/sq.ft.
Actual Q1-09	268	\$13.32	208	\$15.43	16%	\$2.11
Actual Q2-09	170	\$11.20	203	\$12.11	8%	\$0.91
Remaining 2009	355	\$10.97		\$13.04	19%	\$2.07
2010	1,002	\$10.49		\$12.63	20%	\$2.14
All Years	5,976	\$13.55		\$15.12	12%	\$1.57

8.1% weighted average increase in rent Q2-09

94.4% of 2009 and 17% of 2010 leasing program are complete as at August 21, 2009

10.4 % weighted average increase in rent YTD

⁽¹⁾ As reported at June 30, 2009, less dispositions completed at August 11, 2009 and excluding properties in redevelopment.

⁽²⁾ "Same Property Occupancy" is calculated for the 80 properties owned at January 1, 2008 less 5 properties sold.

⁽³⁾ As reported at June 30, 2009, less dispositions completed at August 11, 2009. Actuals exclude development property.



LATEST ANALYST PROJECTIONS ⁽¹⁾

	2009		2010		Current	Current
Latest analyst projections (Q2-09 updates)	FFO	AFFO	FFO	AFFO	NAV	Target Price
CIBC World Markets	\$1.56	\$1.03	\$1.50	\$1.04	\$10.40	\$10.00
Canaccord	\$1.51	\$1.01	\$1.41	\$1.04	\$12.90	\$13.00
Royal Bank	\$1.53	\$0.98	\$1.43	\$1.00	\$8.50	\$9.00
Scotia Capital	\$1.52	\$1.00	\$1.45	\$1.02	\$8.50	\$8.75
National Bank	\$1.54	\$1.05	\$1.48	\$1.07	\$8.75	\$9.00
Desjardins	-	\$0.99	-	\$0.97	\$8.81	\$8.50
Macquarie Research	\$1.58	\$0.99	\$1.50	\$0.95	\$8.75	\$9.00
Average Consensus	\$1.54	\$1.01	\$1.46	\$1.01	\$9.52	\$9.61

Distributions payout ratio approximately: \$1.08 = 66.9% of 2009E FFO & 101.2% of 2009E AFFO

Industry Average approximately = 77.2% of 2009E FFO & 98.8% of 2009E AFFO

Source : BMO Daily Market Watch, Sept. 2nd 2009

⁽¹⁾ Artis does not endorse any analyst projections. The information above represents the views of the particular analyst and not necessarily those of Artis.
An investor should review the entire report of the analysts prior to making any investment decisions.



PEER COMPARISONS

	2009E				2010E			
Daily market updates BMO (09/02/09) Canaccord (09/02/09)	FFO BMO	AFFO BMO	FFO Canaccord	AFFO Canaccord	FFO BMO	AFFO BMO	FFO Canaccord	AFFO Canaccord
Artis REIT (AX.un)	5.4x	8.2x	5.8x	8.7x	5.7x	8.3x	6.0x	8.4x
Dundee REIT (D.un)	N/A	N/A	5.9x	8.4x	N/A	N/A	6.2x	8.8x
Morguard REIT (MRT.un)	10.0x	12.0x	N/A	N/A	10.0x	12.0x	N/A	N/A
Allied REIT (AP.un)	9.6x	12.1x	9.5x	10.9x	9.9x	12.6x	9.5x	10.9x
Canadian REIT (REF.un)	10.3x	11.5x	N/A	N/A	10.5x	11.7x	N/A	N/A



GROWTH STRATEGY - EXTERNAL

**Willingdon Green – Burnaby, BC
(Acquisition & Redevelopment)**



**Maynard Technology Centre
- Calgary, AB**



GROWTH STRATEGY - INTERNAL

1. North City – Edmonton - Office

- Proposed 20,000 sq ft
- 10% unlevered yield (mgt estimate)



2. North City – Edmonton - Retail

- 3,500 sq ft CRU under development
- 10% unlevered yield (mgt estimate)
- Approx. 1/3 of space is pre-leased



3. Capital City Centre

- 13,500 sq ft mixed office/CRU
- 10% unlevered yield (mgt estimate)





GROWTH STRATEGY - INTERNAL

4. TransAlta Place – Calgary

-Potential for 250,000 sq ft expansion



5. Willowglen Business Park – Calgary

-Potential for 60,000 sq ft new office building



6. Grand Prairie – Sears Centre

- 3 acres surplus retail/industrial land
- Potential for 40,000 sq ft expansion





GROWTH STRATEGY - INTERNAL

**Increase Rental Income
with Lease Turnover**

Nurture Existing Relationships



**Exploit Development
Opportunities**





SENIOR MANAGEMENT TEAM



Armin Martens, P.Eng., M.B.A.

President, Chief Executive Officer and Trustee

Mr. Martens has been actively involved in the construction, development and management of commercial real estate since the 1980's. In addition to his position as President and CEO of Artis REIT, he is currently President and CEO of Marwest Development Corporation, a position he has held since 1994. Mr. Martens is a professional engineer (APEGM, 1979) and has an M.B.A. from the International Institute for Management Development in Lausanne, Switzerland. Mr. Martens is a current director of Fortress Paper Ltd. (TSX: FTP) and a past director of the Bank of Canada, Canada's central bank.



Jim Green, C.A.

Chief Financial Officer

Mr. Green joined the Marwest Group of Companies in 1981 and has since served in various capacities. He is presently Vice President and Chief Financial Officer of the companies in the Marwest Group, a position he has held since 1994. He has served as Chief Financial Officer for Artis REIT since its inception in 2004.



Cornelius Martens, P.Eng.

Executive Vice-President and Trustee

Mr. Martens graduated from the University of Manitoba with a Bachelor of Science degree in Civil Engineering in 1965 and became a member of the Association of Professional Engineers & Geologists of Manitoba in 1967. Mr. Martens is the President of the Marwest Group of Companies. The Marwest Group is engaged in the development, construction and management of income-producing properties, including office buildings, shopping centres, residential and mixed-use properties both in Canada and the United States. Mr. Martens is a past director of Consolidated Properties Ltd. (TSX: COP).



Kirsty Stevens, CMA

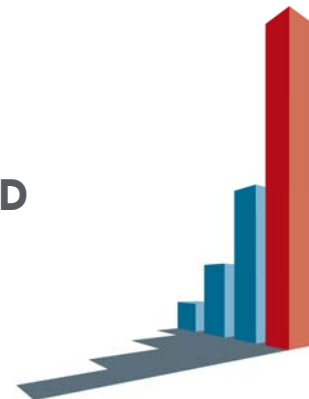
Senior Vice-President – Administration and Investor Relations

Prior to joining Artis REIT in 2005, Ms. Stevens worked as the Controller of Marwest Management Canada Ltd., a western Canadian commercial and residential property management company. Ms. Stevens is a Certified Management Accountant (Manitoba) with over fifteen years of experience in accounting and administration. Prior to joining Marwest, Ms. Stevens was the Controller for a western Canadian heavy equipment sales and service dealership.



INVESTMENT HIGHLIGHTS

- **Artis REIT has an exclusively western Canadian focus**
- **High quality commercial properties – all asset classes (Retail, Industrial, Office)**
- **Proven management team**
- **Consistent & reliable cash flow**
- **Strong financial position**
 - **Total Debt to GBV 54.7%**
 - **Interest Coverage Ratio = 2.3**
 - **Q2 2009 FFO payout ratio at 67.5%**
 - **Excellent mortgage profile with no remaining mortgages expiring in 2009**
- **Excellent growth potential**
- **2009 gap from in-place to market rent of approximately 19%**
- **94.4% of 2009 and 17% of 2010 leasing program are complete as at August 21, 2009 with a weighted average rental increase of 10.4% YTD**
- **12% below market for all years of expiry**



PROPERTIES OF SUCCESS

