



PROPERTIES OF SUCCESS





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**
 - minimum 50% Alberta
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**





PROPERTY DISTRIBUTION



Western Canada: Country's Healthiest Economy



PORTFOLIO OVERVIEW

Properties

86

Size

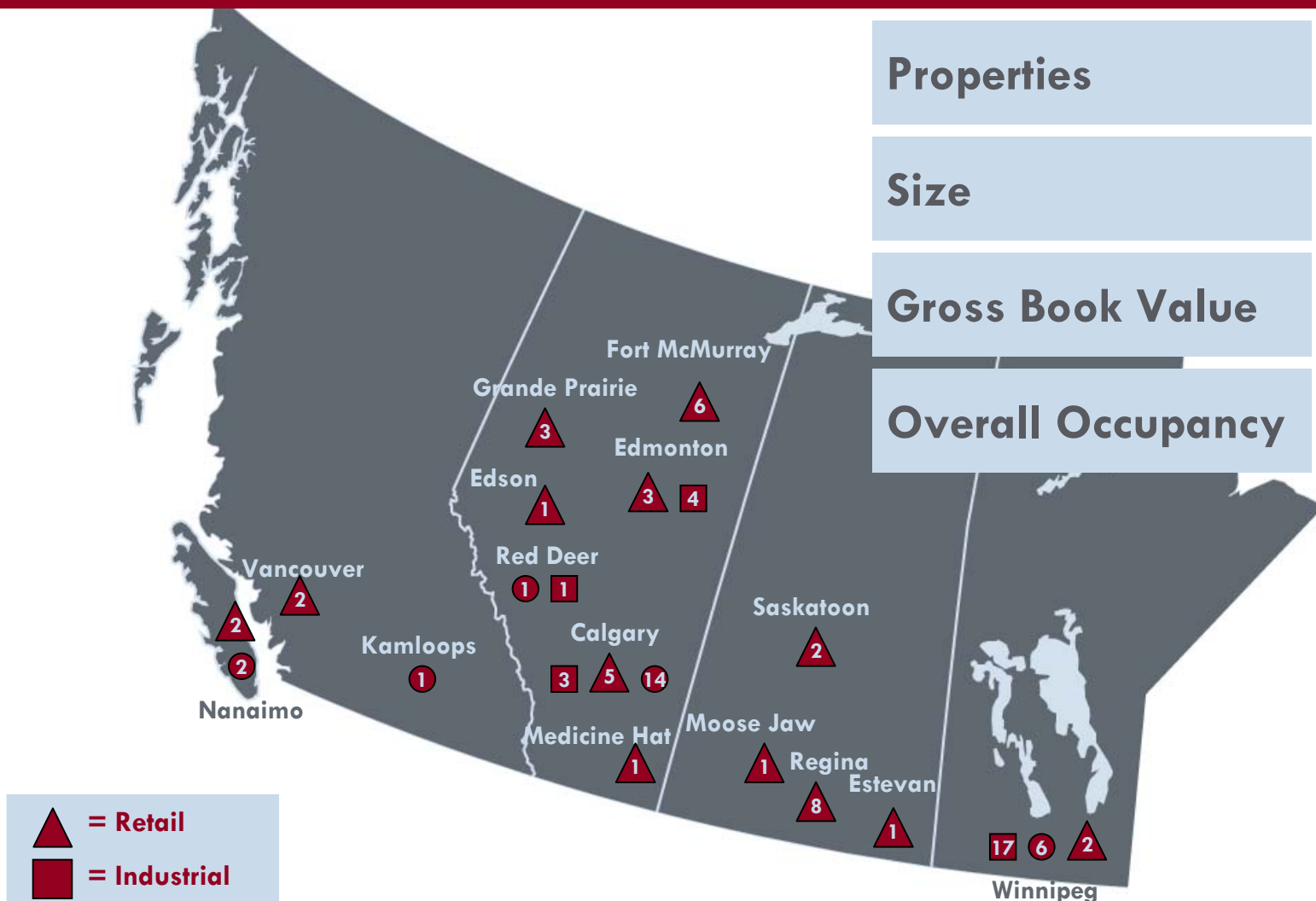
6.3 M sq.ft.

Gross Book Value

1.29 B

Overall Occupancy

97.5%

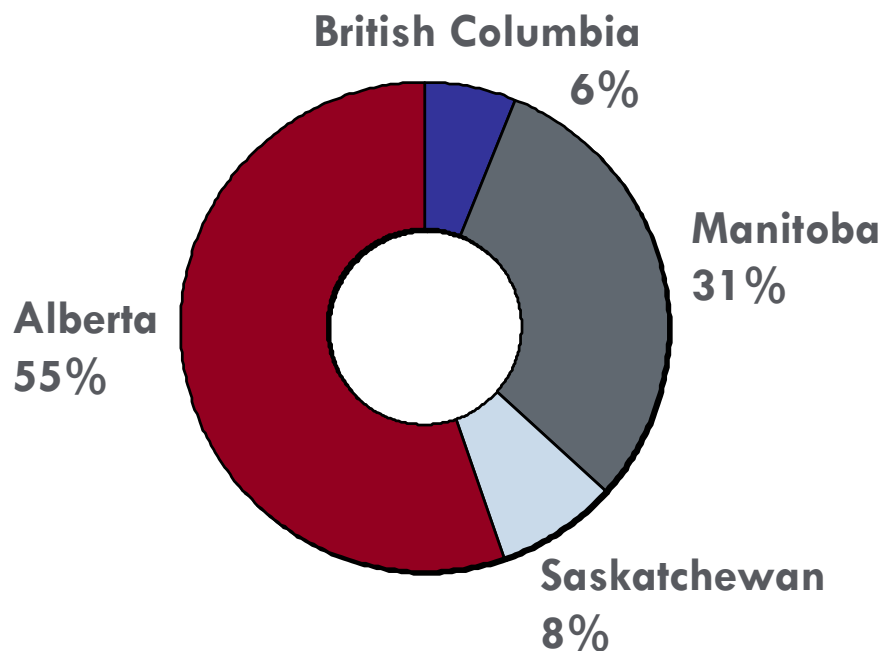


Portfolio Assets as at March 31, 2008, plus acquisitions and unconditional acquisitions at May 14, 2008

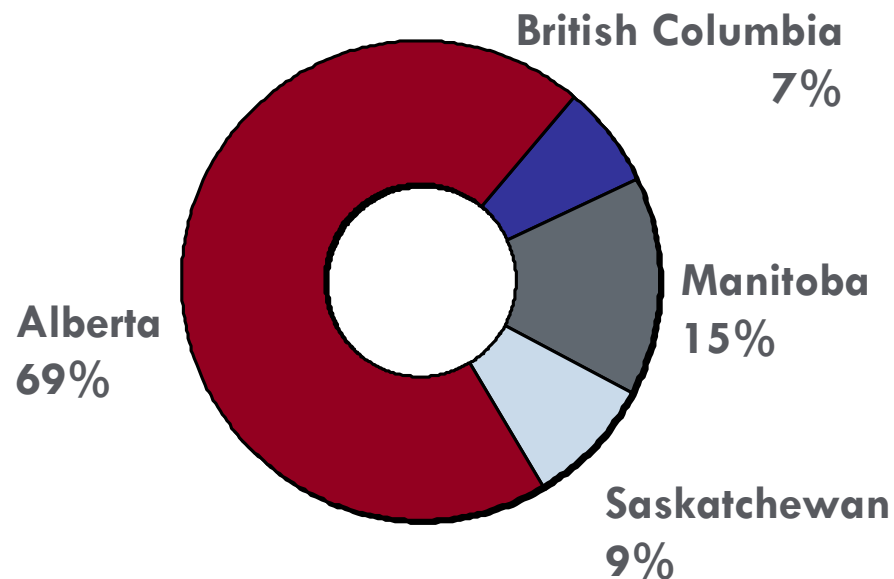


PORTFOLIO SUMMARY

Property GLA by Province



Property NOI by Province

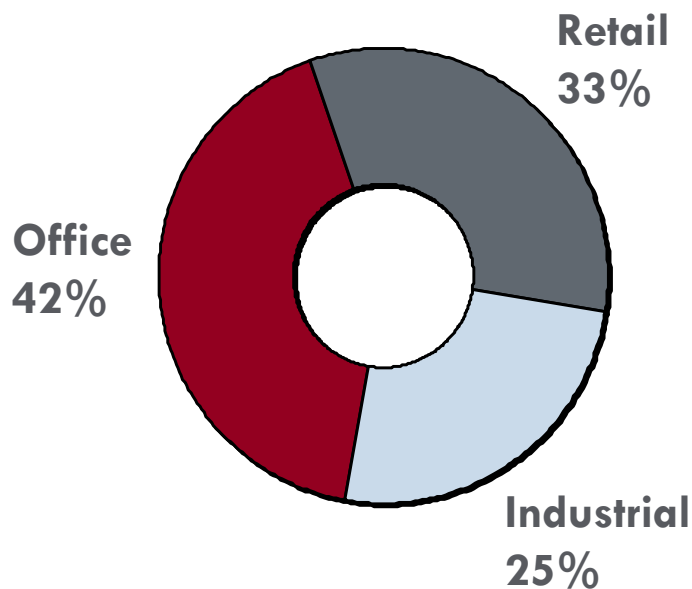


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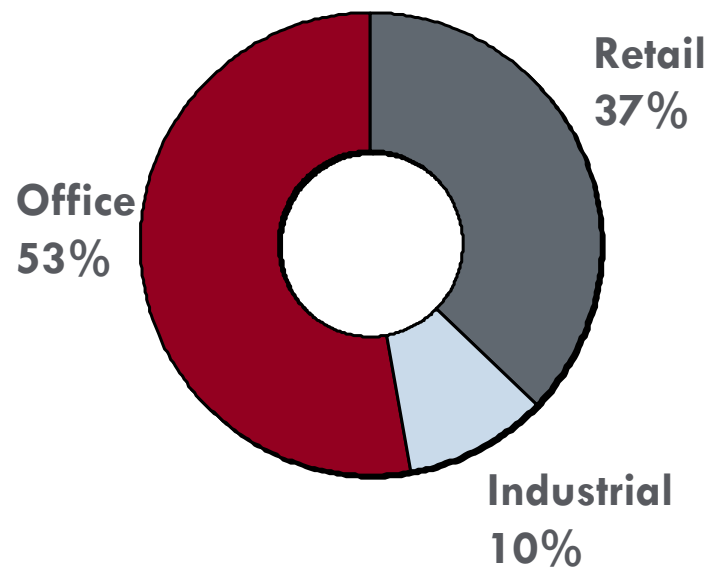


PORTFOLIO SUMMARY

Property GLA by Asset Class



Property NOI by Asset Class

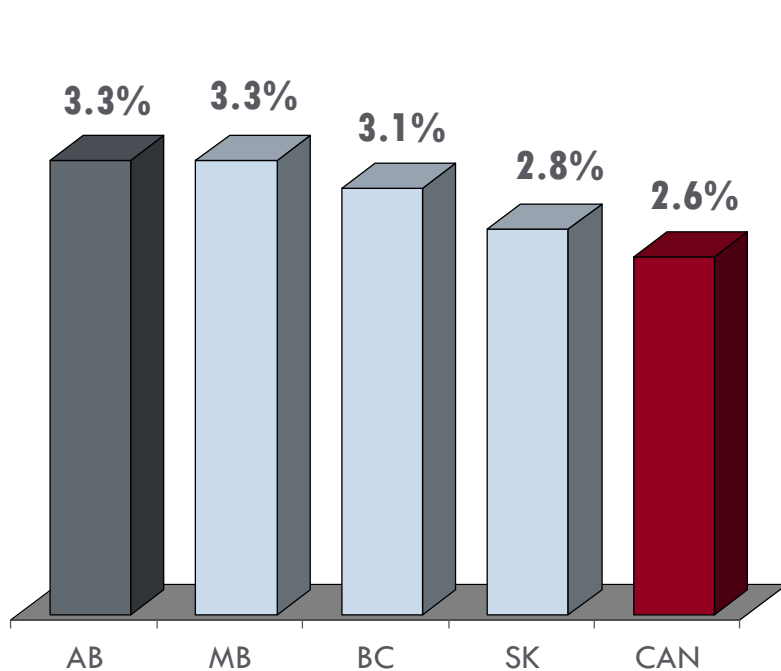


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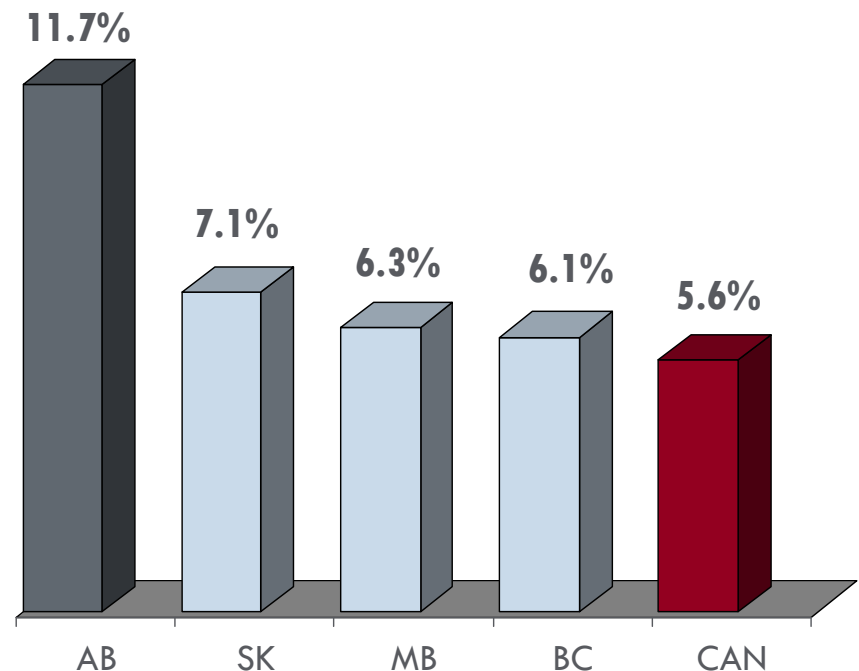


ROBUST WESTERN ECONOMY

Real GDP Growth Rate
2007



Average Retail Sales Growth
Year Over Year, 2003-2007

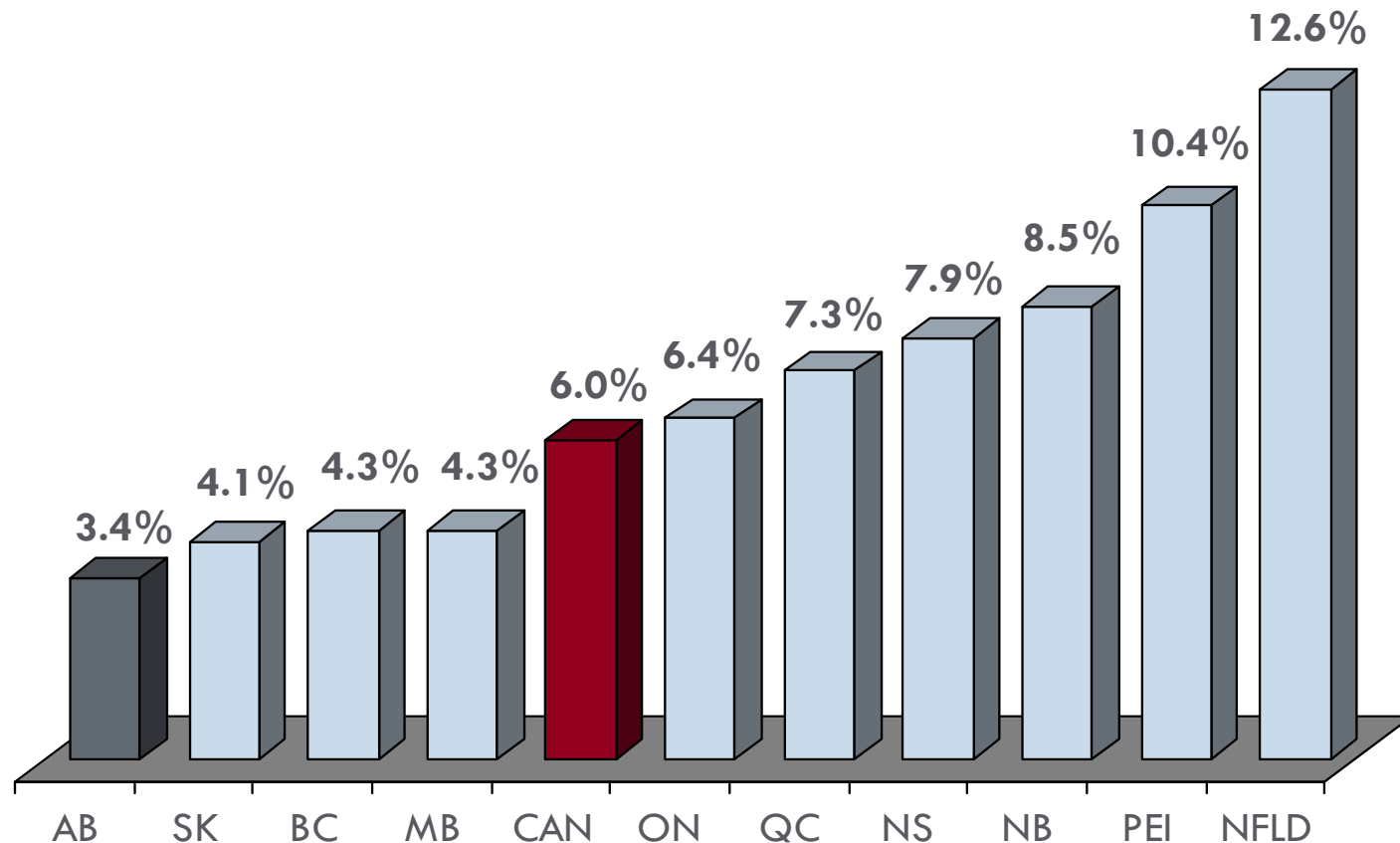


Source Statistics Canada



ROBUST WESTERN ECONOMY

Provincial Unemployment Rates March - 2008



Source Statistics Canada as at March 2008



ROBUST WESTERN ECONOMY



ALBERTA

**Largest oil reserves
worldwide**

**Lowest tax regime
nationwide**

Lowest business costs

Best demographics

**Canada's only
debt-free province**



PORTFOLIO OVERVIEW

10 Largest Tenants by Gross Revenue



**Approximately 21.3% of Gross Revenue
excluding government tenants**

Portfolio Assets as at March 31, 2008, plus acquisitions and unconditional acquisitions at May 14, 2008



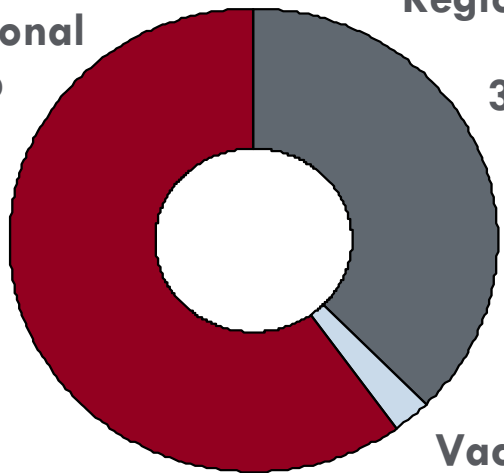
PORTFOLIO OVERVIEW

Diversification by Tenant Size (GLA)

**Government
& National
60.0%**

**Regional &
Local
37.5%**

**Vacant
2.5%**



Portfolio Assets as at March 31, 2008, plus acquisitions and unconditional acquisitions at May 14, 2008

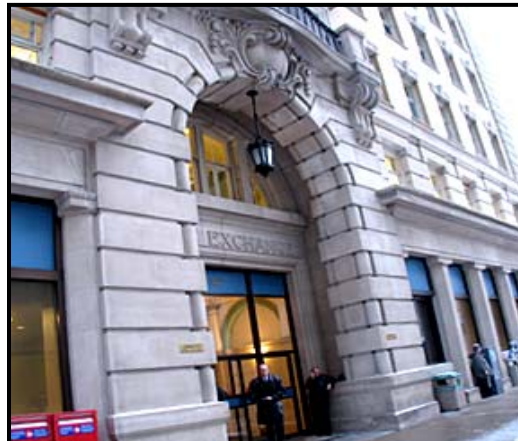


PORTFOLIO CHARACTERISTICS

High Quality Assets Well Diversified Creditworthy Tenants



Stable Cash Flow Conservative Risk Profile Strong Embedded Growth

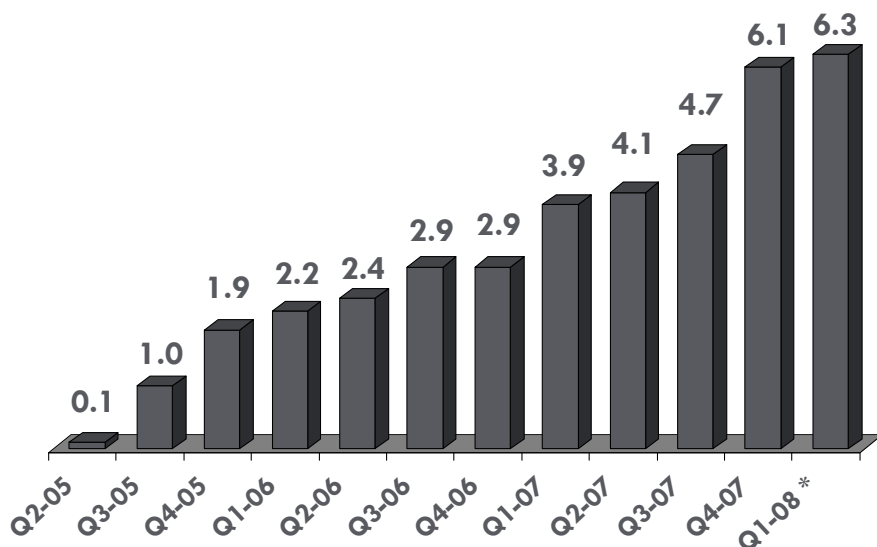




PORTFOLIO OVERVIEW

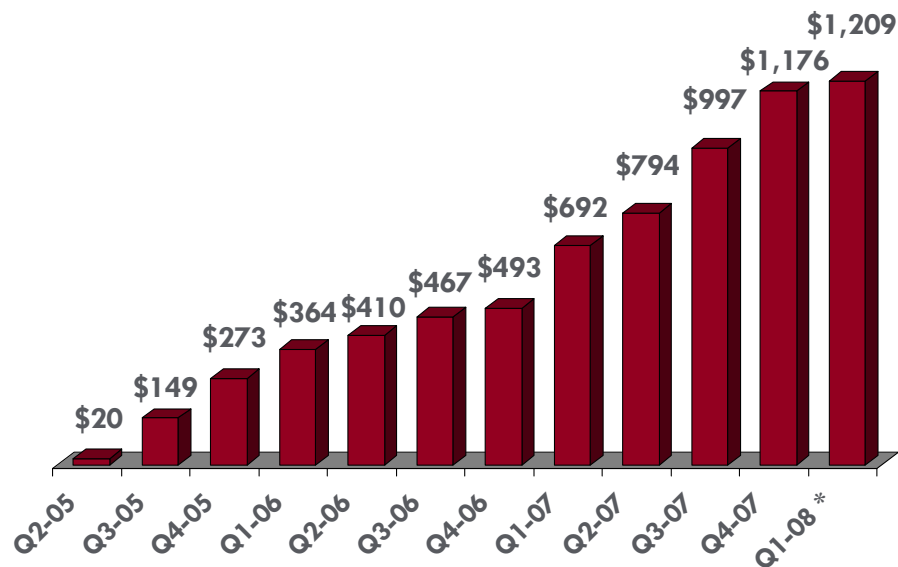
GLA
6.3 M sq.ft.

(M sf)



Assets
\$1.21 B

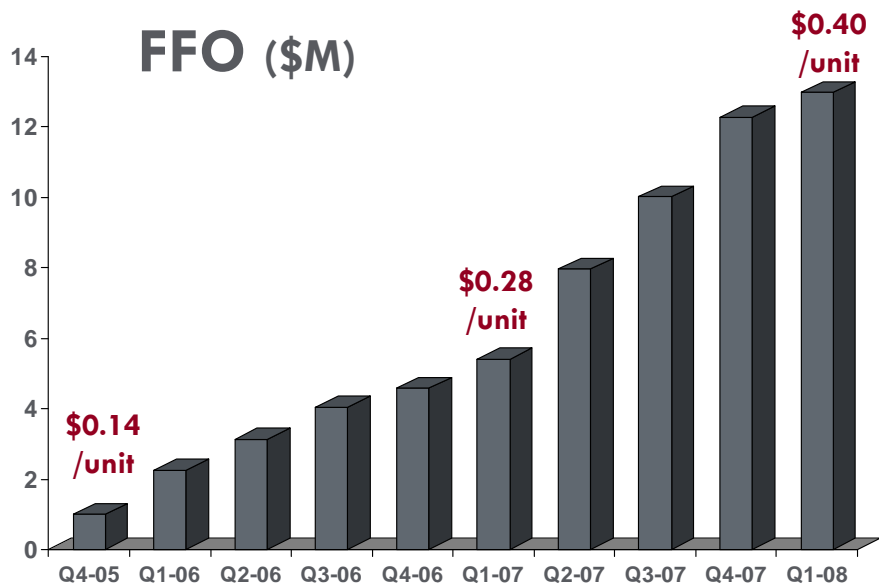
(\$M)



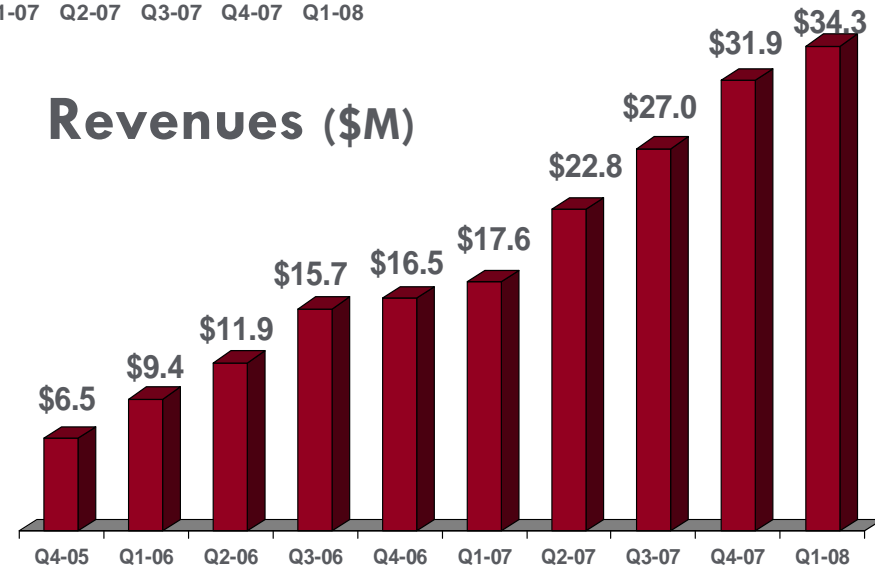
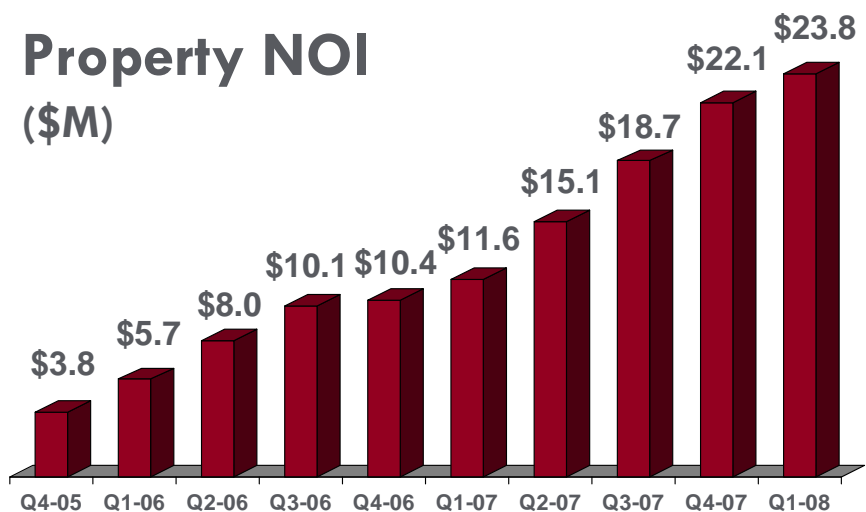
* Portfolio Assets as at March 31, 2008, plus acquisitions and unconditional acquisitions at May 14, 2008



QUARTERLY GROWTH



186% FFO per unit growth over 30 months





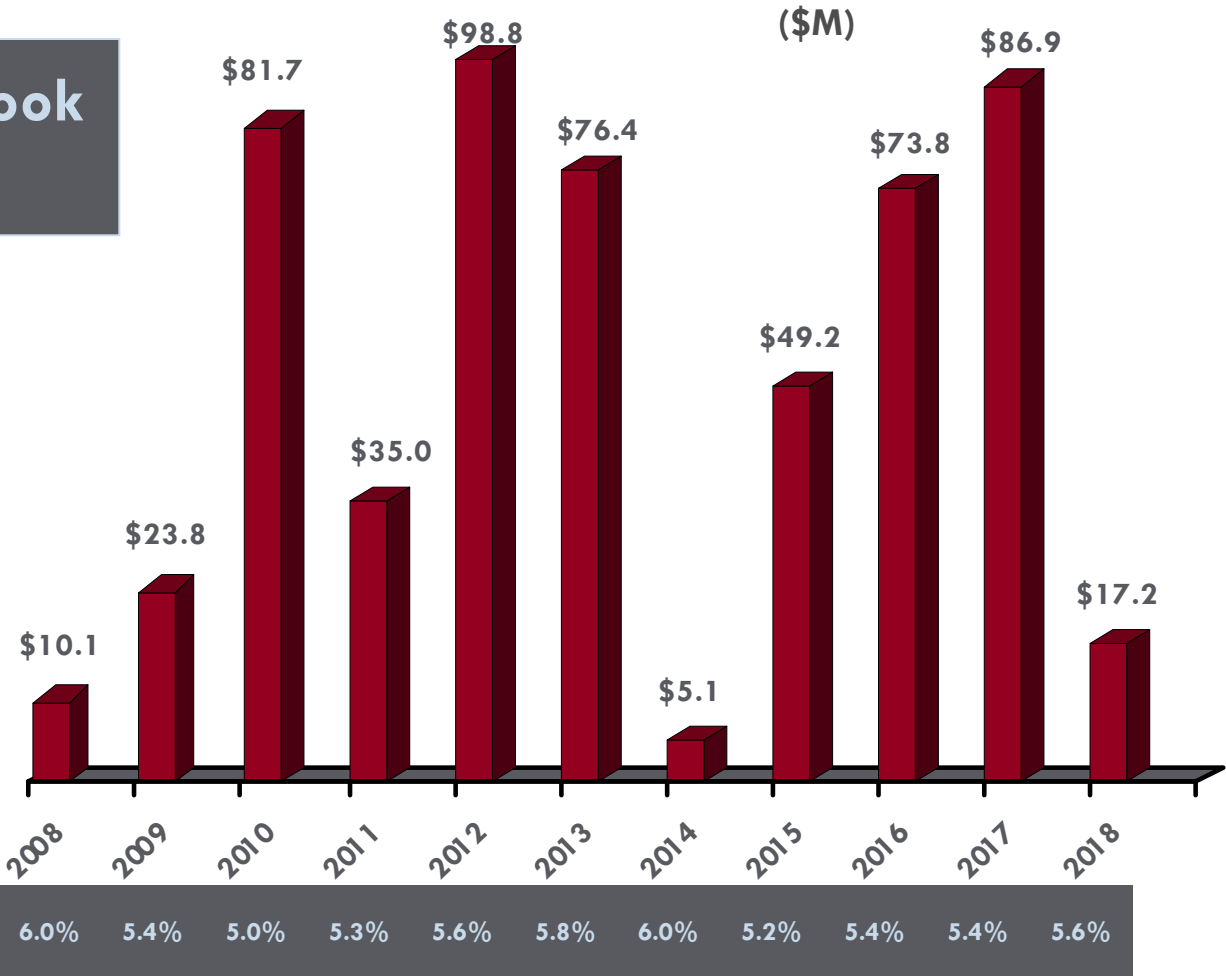
PORTFOLIO OVERVIEW

Schedule of Mortgages Maturing ⁽²⁾

Mortgage to Gross Book Value ⁽¹⁾ 50.2%

⁽¹⁾ As at March 31, 2008 including acquisitions, unconditional acquisitions and related financing commitments at May 14, 2008

⁽²⁾ As at March 31, 2008



Weighted average interest rate maturing by year



PORTFOLIO OVERVIEW

**Weighted Average Term of
5.71 Years**

**Weighted Average Interest
Rate 5.44%**

Interest Coverage Ratio 2.38



Winnipeg Square

Mortgage Financing In-Place as at March 31, 2008, plus acquisitions and unconditional acquisitions at May 14, 2008



PORTFOLIO OVERVIEW

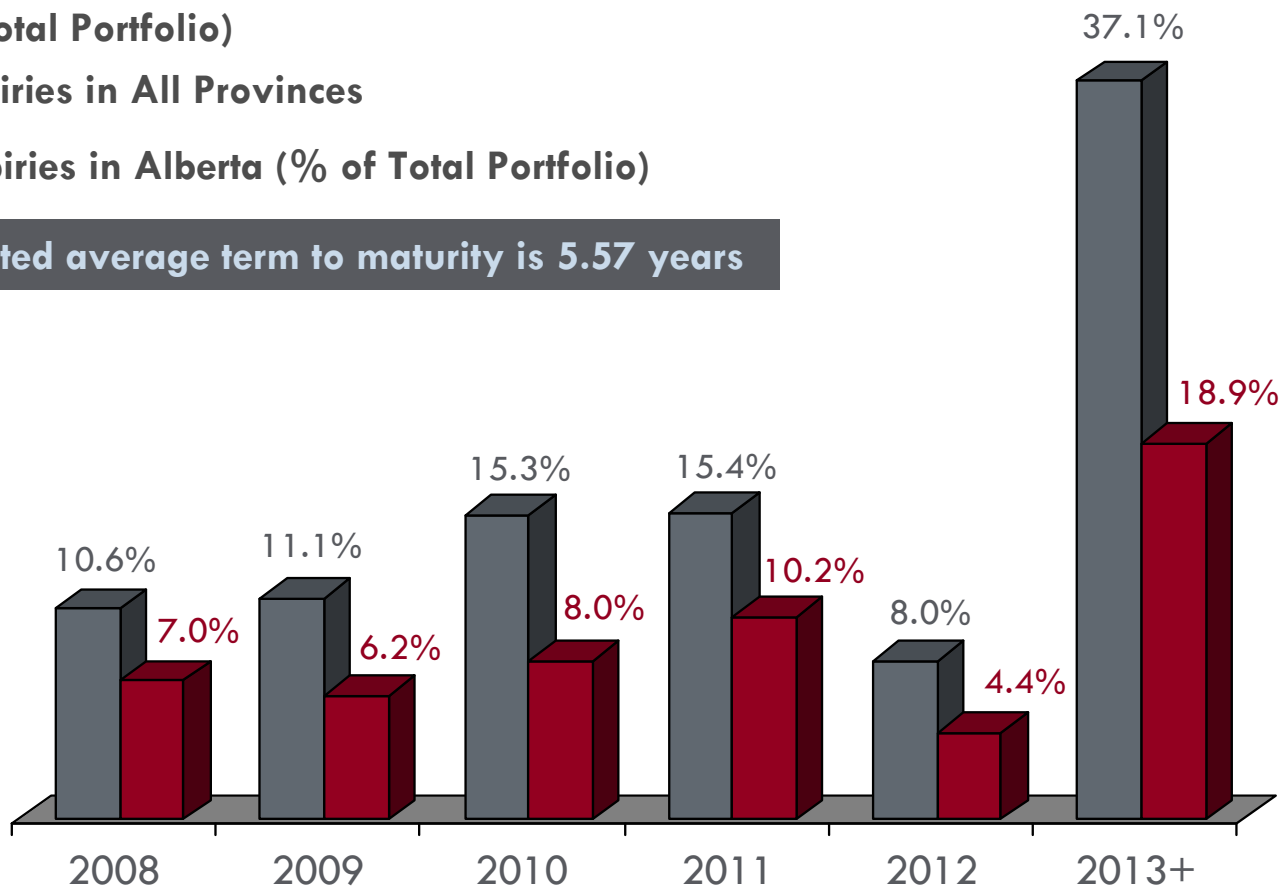
Lease Expiration Schedule

(% of Total Portfolio)

■ Expiries in All Provinces

■ Expiries in Alberta (% of Total Portfolio)

Weighted average term to maturity is 5.57 years



Expiries as at March 31, 2008, plus acquisitions and unconditional acquisitions at May 14, 2008



INTERNAL GROWTH

Increasing Occupancy Over Time ⁽¹⁾

	Portfolio Occupancy	Same Property Occupancy ⁽²⁾
Q1-07	96.3%	96.4%
Q1-08	97.5%	96.8%

Increasing Rental Income as Leases Turn Over ⁽¹⁾

	Leasable Sq. Ft. (000's)	In-Place Rent	Market Rent
2008	661	\$11.57	\$19.17
2009	696	\$11.16	\$14.55
All Years	6,240	\$12.35	\$16.95

(1) As reported at March 31, 2008.

(2) "Same Property Occupancy" is calculated for the 44 properties owned at March 31, 2007, excluding one property sold in 2007.



INTERNAL GROWTH

Absorption and Leasing Performance ⁽¹⁾

	GLA Q2 - 07	Net Rent Q2 - 07	GLA Q3 - 07	Net Rent Q3 - 07	GLA Q4 - 07	Net Rent Q4 - 07	GLA Q1-08	Net Rent Q1-08
Total New & Renewals	140,710	\$17.32	68,763	\$19.08	123,178	\$14.49	166,790	\$13.61
Total Expiring	112,370	\$14.49	64,457	\$12.70	121,306	\$9.67	183,441	\$11.26
Positive Absorption	28,340		4,306		1,872		(16,651)	
Rental Rate Uplift		\$2.83		\$6.38		\$4.82		\$2.35
Rental Rate Uplift %		19.5%		50.2%		49.8%		20.87%

(1) As reported at March 31, 2008.



FINANCIAL RESULTS

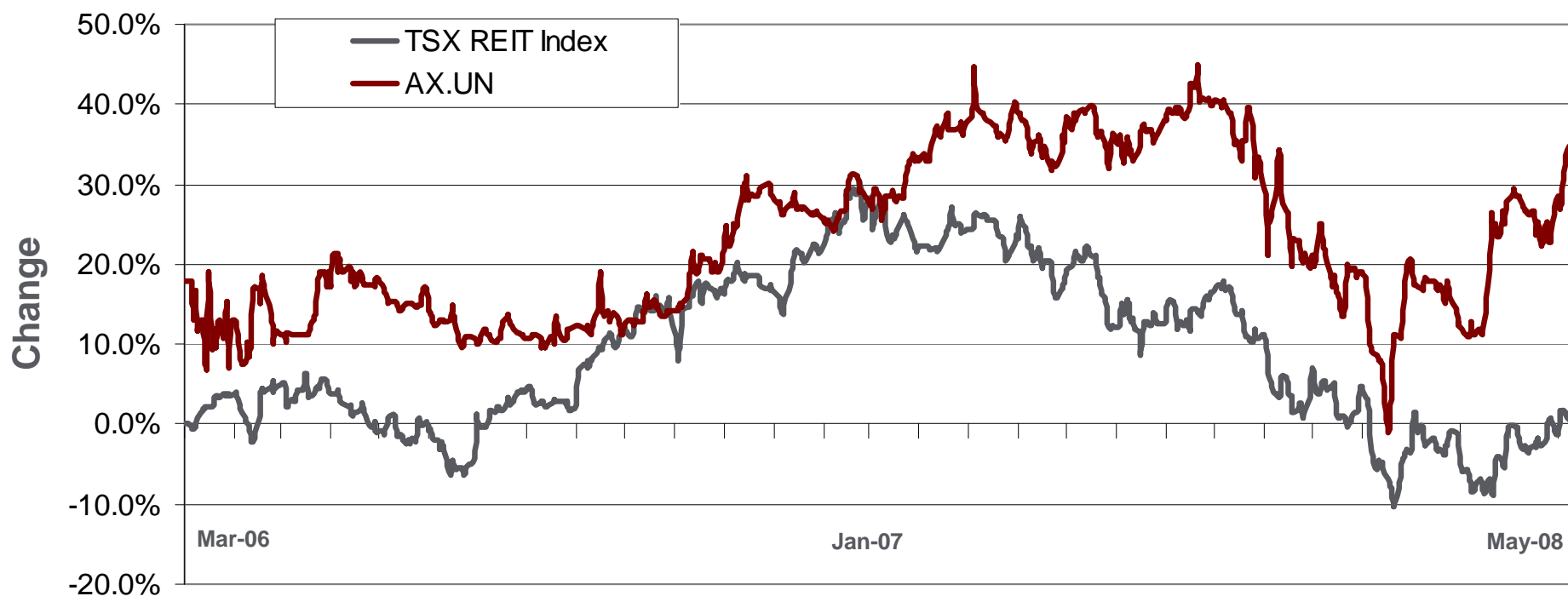
(\$000's, except unit and per unit amounts)	Three month period ended March 31	
	2007	2008
DI	\$5,908	\$13,223
DI per unit	\$0.31	\$0.41
DI year over year increase		32.3%
DI payout ratio	83.9%	63.4%
FFO	\$5,403	\$12,972
FFO per unit	\$0.28	\$0.40
FFO year over year increase*		42.9%
FFO payout ratio	92.9%	65.0%
*386% increase in FFO/unit from Y/E 2004 - Y/E 2007		



UNIT PERFORMANCE

As of May 14, 2008

\$16.85



Distributions: \$1.08/unit = 6.41%

Source: TSX



LATEST ANALYST PROJECTIONS ⁽¹⁾

	2008		2009		Current	Current
Latest analyst projections (Q4-07 results)	FFO	AFFO	FFO	AFFO	NAV	Target Price
CIBC World Markets	\$1.66	\$1.14	\$1.86	\$1.34	\$17.95	\$20.00
Canaccord	\$1.64	\$1.24	\$1.71	\$1.35	\$17.00	\$19.00
BMO	\$1.65	\$1.21	\$1.68	\$1.35	\$15.82	\$18.00
National Bank	\$1.54	\$1.04	\$1.58	\$1.13	\$16.60	\$17.50
Scotia Capital	\$1.62	\$1.12	\$1.67	\$1.33	\$16.25	\$18.00
Average Consensus	\$1.62	\$1.15	\$1.70	\$1.30	\$16.72	\$18.50

Distributions payout ratio approximately: \$1.08 = 67% of FFO (2008) & 91% of AFFO (2008)

Industry Average approximately = 80% of FFO & 97% of AFFO

Source : BMO Daily Market Watch, May 2008 and company press release dated May 16, 2008

(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

	2008E				2009E		2008E	
Data (EV/EBITDA) from Q4 analyst reports. Daily market updates (BMO (05/15), Canaccord (05/15))	FFO BMO	AFFO BMO	FFO Canaccord	AFFO Canaccord	FFO Canaccord	AFFO Canaccord	EV/EBITDA BMO	EV/EBITDA National Bank
Artis REIT (AX.un)	10.3x	13.9x	10.3x	13.6x	9.9x	12.5x	9.3x	12.2x
Dundee REIT (D.un)	10.8x	14.6x	10.3x	14.6x	9.4x	12.4x	13.6x	13.2x
Morguard REIT (MRT.un)	12.5x	15.8x	12.3x	14.0x	12.0x	13.7x	--	--
Canadian REIT (REF.un)	13.4x	15.4x	13.1x	15.0x	12.8x	14.6x	13.5x	12.6x
Boardwalk REIT (BEI.un)	16.9x	21.0x	17.0x	19.4x	15.7x	17.8x	13.6x	14.9x
Northern Property (NPR.un)	11.4x	13.2x	11.3x	12.8x	10.9x	12.3x	10.5x	11.8x



GROWTH STRATEGY - EXTERNAL



Leon's – Nanaimo, BC



**Fort McMurray/Edmonton Portfolio
- Fort McMurray/Edmonton, AB**



**King Edward Centre
- Metro Vancouver, BC**



**Paramount Building
- Calgary, AB**

Total acquisitions, including acquisitions and unconditional acquisitions at May 14, 2008 is approximately \$1.1 Billion



GROWTH STRATEGY INTERNAL – DEVELOPMENT PIPELINE

1

Additional \$90M of announced acquisitions

OPUS II
Calgary



Forward purchase
@ 6.6% cap rate

2

Plus \$80M planned joint venture

OPUS III
Calgary



50/50 Joint
Venture
development

8.5% unlevered
proforma yield
(management estimate)



GROWTH STRATEGY - INTERNAL

- 3 Millennium Centre – Red Deer**
- 40,000 s.f. 2 storey expansion
 - 10% unlevered yield (management estimate)



- 4 TransAlta Place – Calgary**
- Potential for 250,000 s.f. expansion



- 5 Willowglen Business Park – Calgary**
- Potential for 60,000 s.f. new office building



- 6 Grand Prairie – Sears Centre**
- 3 acres surplus retail/industrial land
 - Potential for 40,000 s.f.





GROWTH STRATEGY - INTERNAL

Increase Rental Income with Lease Turnover Nurture Existing Relationships

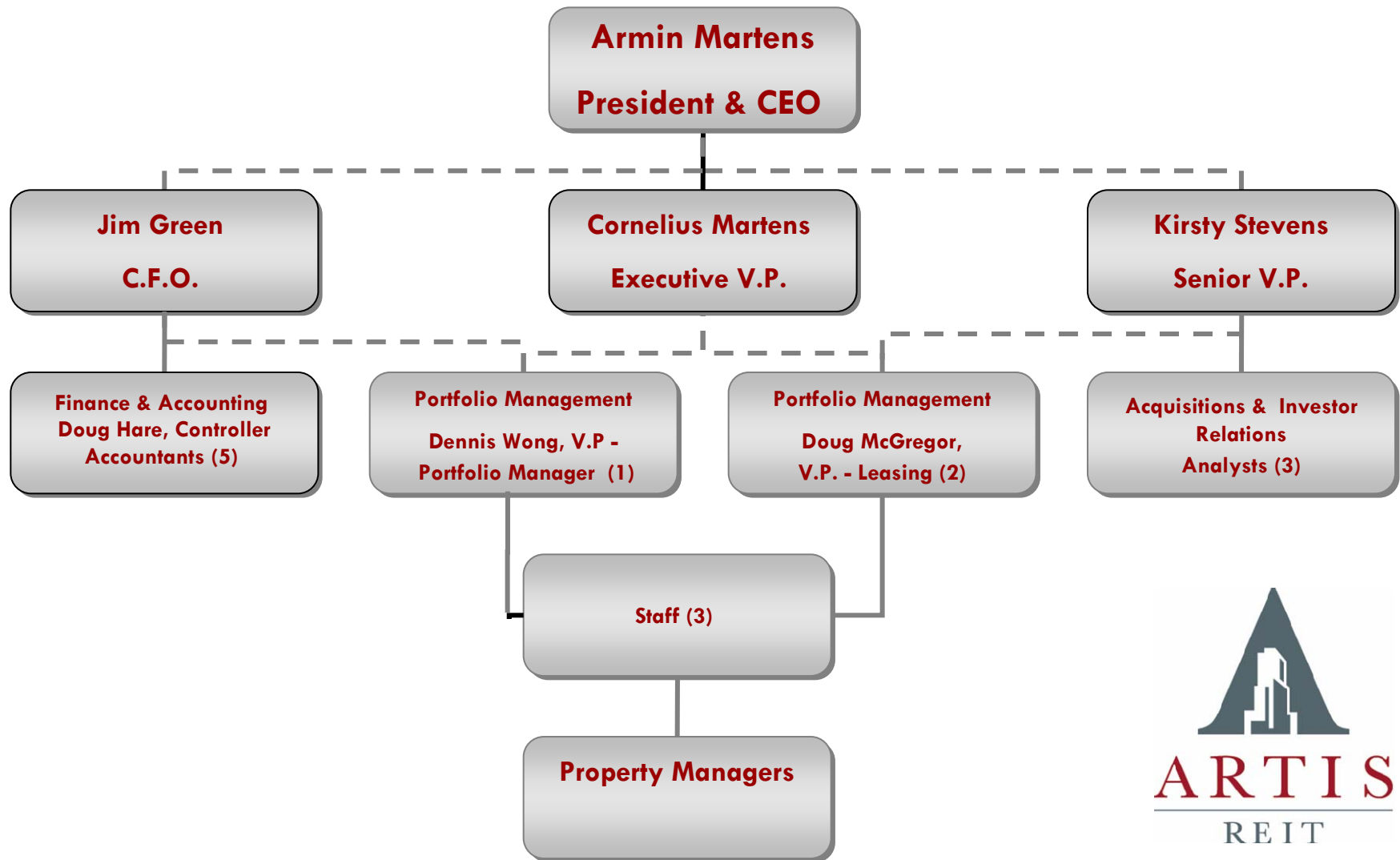


Exploit Development Opportunities Preventative Maintenance Program





ORGANIZATIONAL CHART





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

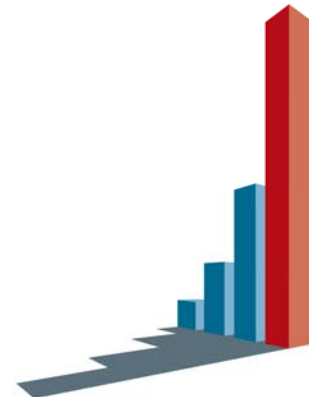
Senior Vice-President – Administration and Investor Relations

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 – mainly Alberta**
- **High Quality Commercial Properties**
- **Proven Management Team**
- **Consistent & Reliable Cash Flow**
- **Strong Financial Position**
 - Anticipated debt level of approximately 50.2%
 - Interest Coverage Ratio = 2.4
 - Anticipated (analyst consensus) 2008 FFO ratio at approximately 67%
 - Excellent mortgage profile with only 2% and 4% of mortgages expiring in 2008 and 2009
- **Excellent Growth Potential**
 - 2008 gap from in-place to market rent of approximately 40%
 - 661,000 sq. ft. expiring
 - 27% below market for all years of expiry
 - 70% of 2008 lease program complete



PROPERTIES OF SUCCESS

