



FOR IMMEDIATE RELEASE

AUGUST 10, 2011

ARTIS RELEASES SECOND QUARTER RESULTS; Q2-11 FFO PER UNIT INCREASES 11.5% OVER Q2-10

Today Artis Real Estate Investment Trust ("Artis" or "the REIT") issued its financial results and achievements for the three and six month periods ended June 30, 2011. All amounts are in thousands of Canadian dollars, unless otherwise noted.

2011 SECOND QUARTER HIGHLIGHTS

- ◆ Acquired a total of 14 commercial properties in Q2-11 for aggregate gross proceeds of CAD\$306.5 million. Portfolio increased to 159 income-producing properties comprising approximately 16.2 million square feet of leasable area at June 30, 2011.
- ◆ Increased Q2-11 revenues by 68.0% to \$65.9 million compared to Q2-10; increased year-over-year revenue by 77.0% to \$129.1 million.
- ◆ Increased Q2-11 Property NOI by 61.5% to \$42.5 million compared to Q2-10; increased year-over-year Property NOI by 68.3% to \$81.5 million.
- ◆ Increased Q2-11 FFO by 71.5% to \$22.8 million compared to Q2-10; increased year-over-year FFO by 76.9% to \$44.4 million.
- ◆ Increased Q2-11 FFO per unit to \$0.29, representing an 11.5% increase compared to Q2-10 and a 3.6% increase compared to Q1-11. Increased year-over-year FFO per unit by 9.6% to \$0.57.
- ◆ Reported interest coverage ratio of 2.14 for the quarter ended June 30, 2011.
- ◆ Reported mortgage debt to gross book value ("GBV") of 50.7% at June 30, 2011, compared to 52.6% at December 31, 2010.
- ◆ Reported portfolio occupancy of 95.6% (96.3% including committed space) at June 30, 2011, up 30 basis points compared to occupancy at March 31, 2011.

SELECTED FINANCIAL INFORMATION

<i>000's, except per unit amounts</i>	Three month period ended		Six month period ended	
	2011	June 30, 2010	2011	June 30, 2010
Revenue	\$ 65,887	\$ 39,216	\$ 129,145	\$ 72,967
Property NOI	\$ 42,529	\$ 26,331	\$ 81,541	\$ 48,444
FFO ⁽¹⁾	\$ 22,775	\$ 13,281	\$ 44,370	\$ 25,083
FFO per unit (diluted) ⁽¹⁾	\$ 0.29	\$ 0.26	\$ 0.57	\$ 0.52
Distributions	\$ 0.27	\$ 0.27	\$ 0.54	\$ 0.54
FFO payout ratio	93.1%	103.8%	94.7%	103.8%

(1) After adjustment for convertible debentures financing costs, realized foreign currency translation loss, current tax expense and loss on equity securities.

<i>000's</i>	June 30, 2011	December 31, 2010
Total assets	\$ 2,815,767	\$ 2,211,596
GBV	\$ 2,816,057	\$ 2,211,829
Mortgages, loans and bank indebtedness	\$ 1,426,950	\$ 1,164,092
Debt to GBV	50.7%	52.6%

Portfolio Acquisition and Disposition Activity

During the three month period ended June 30, 2011, Artis acquired 14 properties, as follows:

Property	Location	Asset Class	Leasable Area (in square feet)	Acquisition Date
Cara Foods Building ⁽¹⁾	Vaughan, ON	Office	100,398 ⁽²⁾	April 15, 2011
3M Distribution Facility	Toronto, ON	Industrial	318,805	April 29, 2011
1165 Kenaston	Ottawa, ON	Office	180,689	May 27, 2011
Victoria Square Shopping Centre	Regina, SK	Retail	290,627	May 31, 2011
Ryan Retail Portfolio ⁽³⁾	Minneapolis, MN	Retail	110,333	May 31, 2011
605 Waterford Park	Minneapolis, MN	Office	204,417	June 1, 2011
McGillivray Cineplex	Winnipeg, MB	Retail	42,725	June 10, 2011
415 Yonge Street	Toronto, ON	Office	191,880	June 28, 2011
Union Hills Office Plaza	Phoenix, AZ	Office	142,773	June 30, 2011
201 Westcreek Boulevard	Toronto, ON	Industrial	301,113	June 30, 2011

(1) Artis acquired a 50% interest in this property.

(2) The reported number reflects 100% of the property GLA.

(3) The Ryan Retail Portfolio includes four retail properties comprising 110,333 square feet of leasable area and a 398,529 square foot land lease to Home Depot.

Artis acquired these commercial properties in Canada and the United States (the "U.S.") for aggregate purchase prices of \$227.9 million and US\$80.3 million, which represents a weighted-average going-in capitalization rate of 7.4%. The purchase prices were settled with cash on hand and from the proceeds of new or assumed fixed rate mortgage financing aggregating \$139.9 million and new floating rate mortgage financing aggregating US\$36.2 million. The weighted-average interest rate on the mortgages is equivalent to an annual rate of 4.1% and the weighted-average term to maturity is 5.6 years.

Subsequent to June 30, 2011, Artis acquired two properties, as follows:

Property	Location	Asset Class	Leasable Area (in square feet)	Acquisition Date
Plymouth Corporate Campus	Minneapolis, MN	Industrial	83,617	July 6, 2011
Stampede Station	Calgary, AB	Office	161,683	July 26, 2011

Plymouth Corporate Campus was acquired for US\$5.8 million, which was settled with cash on hand. Stampede Station was acquired for \$90.0 million and was settled with cash on hand and from the proceeds of a new \$58.0 million five-year mortgage bearing interest at a fixed rate of 3.88% per annum. Artis calculates the weighted-average capitalization rate for the above announced acquisitions to be 6.7%.

Artis has also entered into agreements to acquire properties for aggregate purchase prices of \$72.9 million and US\$75.0 million, representing weighted-average going-in capitalization rates of 7.4%. These acquisitions are expected to be financed with cash on hand and from the proceeds of new or assumed mortgage financing. Additional information about the REIT's proposed acquisitions can be found in the Management's Discussion and Analysis for the three month period ending June 30, 2011 or in press releases available on the REIT's web site at www.artisreit.com.

Liquidity and Capital Resources

At June 30, 2011, Artis had \$89.1 million of cash and cash equivalents on hand, \$3.6 million in equity investments and \$22.1 million available on the revolving term credit facility.

At June 30, 2011, the ratio of mortgages, loans and bank indebtedness to GBV was 50.7%, compared to 52.6% at December 31, 2010. The ratio is well within the 70.0% limit set out in the REIT's Amended and Restated Declaration of Trust. Including the convertible debentures, the ratio is 59.1% at June 30, 2011, compared to 59.6% at December 31, 2010.

Liquidity and capital resources will be impacted by portfolio acquisition activities occurring subsequent to June 30, 2011.

Portfolio Operational and Leasing Results

Portfolio occupancy at June 30, 2011 increased 30 basis points to 95.6% (96.3% including commitments on vacant space) from 95.3% at March 31, 2011.

At June 30, 2011, Artis had four properties in redevelopment, comprising 257,651 square feet of leasable area. Lease commitments are in place for 49.8% of the leasable area.

Excluding GAAP adjustments for straight-line rent and amortization of tenant inducements, Same Property NOI results for Q2-11 increased 1.1%, or \$222 over Q2-10 results (YTD increased 0.8%, or \$318).

Considering all properties owned at June 30, 2011, 9.9% of the portfolio's leasable area is set to expire in 2011 and 7.8% in 2012. As of today's date, 87.7% of the 2011 and 22.4% of the 2012 leasing programs have been completed. Tenant retention thus far is 78.9% and a weighted-average rental increase of 4.8% has been achieved on renewals.

Artis' management reviews the current market rents across its portfolio on an on-going basis. Management estimates that the weighted-average in-place rents for leases expiring in 2011 and 2012 are approximately at market. Across the portfolio, in-place rents at expiry are estimated to be 3.1% below today's market.

Tenant Profile

Considering all properties owned at June 30, 2011, Artis' portfolio includes 1,749 tenant leases with a weighted-average term to maturity of 5.6 years. Approximately 64.1% of the REIT's GLA is occupied by national or government tenants. The top twenty non-government tenants account for 22.7% of the portfolio's gross revenues at June 30, 2011, with a weighted-average lease term to maturity of 8.0 years. The largest single tenant in the portfolio accounts for 2.8% of gross revenues.

Upcoming Webcast and Conference Call

Interested parties are invited to participate in a conference call with management on Thursday, August 11, 2011 at 12:00 p.m. CST (1:00 p.m. EST). In order to participate, please dial 1-416-695-6616 or 1-800-952-6845. 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.com/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 11, 2011, a replay of the conference call will be available by dialing 1-905-694-9451 or 1-800-408-3053 and entering passcode #7356578. The replay will be available until August 25, 2011. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

Artis is a diversified Canadian real estate investment trust investing in office, industrial and retail properties. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial properties in Canada and the United States, with a major focus on Western Canada. Artis' commercial property comprises nearly 16.5 million square feet of leasable area in 161 properties. Leasable area by asset class is approximately 22.3% retail, 34.3% office and 43.4% industrial. The portfolio is located 9.7% in British Columbia, 30.3% in Alberta, 5.6% in Saskatchewan, 19.5% in Manitoba, 12.1% in Ontario and 22.8% in the U.S.

Non-GAAP Performance Measures

Property NOI and FFO are non GAAP measures commonly used by Canadian income trusts as an indicator of financial performance. Management uses Property NOI and FFO to analyze operating performance. Property NOI and FFO may not be comparable to similar measures presented by other issuers. 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, Chief Administrative Officer of the REIT at (204) 947 1250.