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NEWS RELEASE FOR IMMEDIATE DISTRIBUTION

BOARDWALK REPORTS 31.8% INCREASE IN FIRST QUARTER 2002 FFO PER SHARE FROM RENTAL OPERATIONS

Company Increases FFO Guidance For The Year Due To Strong First Quarter Results and Impact of Recent Montreal Acquisition

Calgary, Alberta – May 9, 2002 - Boardwalk Equities Inc. (“BEI” – TSE, NYSE) is pleased to report strong financial results for the first quarter of 2002, which exceeded consensus estimates. For the first quarter ended March 31, 2002, the Company reported Total Revenues of \$54.8 million and Funds From Operations [“FFO”], a key performance measurement for real estate companies, of \$14.3 million. FFO per share for the first quarter was \$0.29.

Highlights of the Company’s first quarter 2002 financial results include:

- Rental revenues of \$54.8 million, an increase of 9.6% compared to \$50.0 million for the three-month period ended March 31, 2001.
- Net operating income of \$36.6 million, representing a 13.2% increase from \$32.4 million in the same period last year.
- Funds From Operations (FFO) of \$14.3 million, a decline of 23.0% compared to \$18.5 million for the three-month period ended March 31, 2001. FFO excluding gains of \$14.3 million, an increase of 29.2% compared to \$11.0 million for the three-month period ended March 31, 2001.
- FFO per share of \$0.29 on a diluted basis, compared to \$0.37 for the three-month period ended March 31, 2001. FFO per share from rental operations, which excludes gains, was \$0.29 on a diluted basis, up 31.8% compared to \$0.22 for the three-month period ended March 31, 2001.

Commenting on the Company’s first quarter results, Sam Koliass, President and C.E.O., said “We are pleased to report strong results from our rental operations. The fundamentals for the multi-family rental sector in Canada remain attractive with very limited new supply and record low vacancy rates. Boardwalk is concentrated in markets that continue to have very strong economic indicators. We believe these factors, combined with our recently announced portfolio acquisition in Montreal, will enable us to generate strong internal and external growth in the current year.”

The average vacancy rate across the Company’s portfolio for the first quarter of 2002 was 4.8% down slightly from 4.9% in the first quarter of last year. The average monthly rent realized in the first quarter of 2002 was \$696 per unit, up \$46, or 7.1%, from \$650 per unit for the same period last year. Management estimates that market rents for its properties at the end of March, 2002 averaged \$751 per unit per month which compares to an average in-place rent per occupied unit of \$731.

The Company’s FFO per share of \$0.29 in the first quarter of 2002 exceeded analyst expectations which ranged from \$0.19 to \$0.25. Contributing to the financial results in the first quarter was a one-time gas utility rebate of \$3.2 million, the majority of which related to the Company’s Northern Alberta assets. This served to offset the impact of an above-market gas supply contract which was in place during the first quarter and which expired on April 30, 2002. Subsequent to the end of the first quarter, the Company mitigated some of the risk of future utility price increases by entering into several financial and physical supply contracts with a natural gas retailer. The contracts in place are designed to fix pricing on 75% of Boardwalk’s forecasted Alberta gas consumption. The two physical contracts commence on January 1, 2003 with each representing 37.5% of the Company’s forecasted gas requirements in Alberta and expire on September 30, 2003 and September 30, 2004, respectively. The three financial contracts are for the periods of October 2002, November 2002 and December 2002.

Same-Property Results

Boardwalk continued to show strong performance in its stabilized properties (defined as properties owned for over 24 months). The “same-property” results for the Company’s stabilized portfolio for the three month period ended March 31, 2002 showed NOI growth of 8.04% versus the same period last year. A total of 24,216 units were classified as stabilized for the first quarter, representing 93% of Boardwalk’s total portfolio as at March 31, 2002.

Same-Property Results - Stabilized Portfolio
Three Months Ended March 31, 2002 vs. Three Months Ended March 31, 2001

	NOI	% of Stabilized NOI
Edmonton	+12.2%	45%
Calgary	-2.3%	25%
Other Alberta	-3.8%	7%
Ontario	+29.1%	11%
Saskatchewan	+7.8%	13%
Total Stabilized	+8.04%	100%

Acquisition and Disposition Activity

The first quarter 2002 results do not include any operating profits from dispositions, compared to operating profits of \$7.5 million generated on sales of \$18.0 million in the three months ended March 31, 2001. Subsequent to the end of the first quarter, the Company closed on the sale of a total of 121-units and estimates that it will record a profit on the sales of approximately \$1.0 million in the second quarter.

The Company completed the previously announced acquisition of one 60-unit property in London, Ontario in the first quarter at a cost of \$2.8 million. Subsequent to March 31, 2002, the Company closed on the acquisition of a 3,100-unit portfolio located on Nuns' Island, immediately south of downtown Montreal, Quebec, at a cost of \$180.2 million, including property transfer costs. The acquisition represented Boardwalk's initial entry into the Montreal market and the transaction closed effective May 1, 2002.

Continued Balance Sheet Strength

The Company maintained its strong financial position in the quarter. Boardwalk's total mortgage debt was \$1.14 billion as at March 31, 2002, up marginally from \$1.11 billion at December 31, 2001. As of March 31, 2002, the Company's long-term debt had an average maturity of 5.2 years and a weighted average interest rate of 6.04%. As of March 31, 2002, the Company's debt-to-total-market-capitalization ratio was 62.7% and the interest coverage ratio for the three month period ended March 31, 2002 was 1.86 times. Under the Company's normal course issuer bid, Boardwalk bought back a total of 88,100 shares in the first quarter of 2002 at an average price of \$11.86.

New Board Director Announcement

Boardwalk is pleased to announce that Al W. Mawani was elected to the Board of Directors of the Company at its annual meeting held on April 30, 2002. Mr. Mawani is Vice-President of IPS Industrial Promotion Services Ltd., an investment and venture capital company that is part of the Aga Khan Fund for Economic Development (AKFED). AKFED is an international development agency that promotes entrepreneurship in the private sector in specific regions of the developing world. From 1979 to 2001, Mr. Mawani worked at Oxford Properties Group Inc. in various senior management positions, including Executive Vice-President for Business Development and Chief Financial Officer. Mr. Mawani is a Chartered Accountant and has an MBA from the University of Toronto. Mr. Mawani also serves on the Board of Trustees of IPC US Income Commercial Real Estate Investment Trust. Sam Koliass stated "We are delighted that someone of Al's caliber and reputation has agreed to serve on our Board and look forward to his contribution and insights."

Outlook and Earnings Guidance

Commenting on the outlook for the Company, Sam Koliass, said "Boardwalk remains well positioned to show a strong improvement in results in the current year, driven by both internal and external growth. We continue to demonstrate strong same-property performance with our core markets continuing to be very robust. Our recently completed acquisition of the 3,100-unit portfolio on Nuns' Island just south of the downtown core in Montreal will also make a strong contribution to improved results."

Rob Geremia, Senior Vice President and CFO, stated "As we previously disclosed, the recently announced portfolio acquisition in Montreal is expected to have a material impact on our FFO per share. Taking this acquisition into account, and also taking into consideration the strong first quarter results, we are increasing our guidance for 2002 for FFO per share, excluding gains, to between \$1.20 and \$1.23, which is up from our previous guidance of \$1.06 to \$1.09. At the current time, we are anticipating approximately a further two cents FFO contribution from property sales and would anticipate that total FFO for the year will be between \$1.22 and \$1.25."

Supplementary Information

Boardwalk produces Quarterly Supplemental Information that provides detailed information regarding the Company's activities during the quarter. The First Quarter Supplemental Information is available on the INVESTOR section of our website (www.bwalk.com).

Teleconference on First Quarter, 2002 Financial Results

We invite you to participate in the teleconference that will be held to discuss the Company's first quarter 2002 results this morning at 11:15am EST. Senior management will speak to the first quarter's financial results and discuss the Company's recent portfolio purchase in Montreal. Presentation materials will be made available on the INVESTOR section of our website (www.bwalk.com) prior to the call.

Participation & Registration: For participation and registration for the conference call please RSVP to Investor Relations at 403-531-9255 or by email to investor@bwalk.com.

Teleconference Dial-In Numbers: The telephone numbers for the conference are: 416-640-4127 (within Toronto) or toll-free 1-888-881-4892 (outside Toronto).

Webcast: Investors will be able to listen to the call and view our slide presentation over the Internet by visiting <http://investor.bwalk.com> 15 min. prior to the start of the call. An information page will be provided for software needed and system requirements. The live audiocast will also be available at <http://www.newswire.ca/webcast/pages/BoardwalkEquities20020509/>

Replay: An audio recording of the teleconference will be available approximately one hour after the call until 11:59pm EST on May 16th, 2002. You can access it by dialing 416-640-1917 and using the following passcode, 185543#. An audio archive will also be available on our Investor site (<http://investor.bwalk.com>) approximately two hours after the conference call until May 16th, 2002.

Corporate Profile

Boardwalk Equities Inc. is Canada's largest owner/operator of multi-family rental properties. Boardwalk currently owns in excess of 250 properties with approximately 29,000 units totalling approximately 25 million net rentable square feet. The company's portfolio is concentrated in the provinces of Alberta, Saskatchewan, Ontario and Quebec. Boardwalk is headquartered in Calgary and its shares are listed on both the Toronto Stock Exchange and the New York Stock Exchange and trade under the symbol BEI. The Company has a total market capitalization of \$1.9 billion.

Additional information is available at Boardwalk's web site at www.bwalk.com. Recent investor information can be found on the Internet at <http://investor.bwalk.com/>.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. The forward-looking statements are statements that involve risks and uncertainties, including, but not limited to, changes in the demand for apartment and town home rentals, the effects of economic conditions, the impact of competition and competitive pricing, the effects of the Company's accounting policies and other matters detailed in the Company's filings with Canadian and United States securities regulators available on SEDAR in Canada and by request through the Securities and Exchange Commission in the United States, including matters set forth in the Company's Annual Report to Shareholders under the heading "Management's Discussion and Analysis". Because of these risks and uncertainties, the results, expectations, achievements, or performance described in this release may be different from those currently anticipated by the Company.

For further information please contact:

Boardwalk Equities Inc.

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Consolidated Balance Sheets

(Cdn.\$ Thousands)

As At

	March 31, 2002	December 31, 2001
	(Unaudited)	(Audited)
Assets		
Revenue producing properties	\$ 1,382,727	\$ 1,381,541
Properties held for resale	6,763	6,630
Mortgages and accounts receivable	15,228	22,325
Other assets	15,152	14,423
Deferred financing costs	34,484	32,957
Technology	5,599	5,743
Cash and short term investments	55,750	25,672
	\$ 1,515,703	\$ 1,489,291
Liabilities		
Mortgages payable	\$ 1,137,385	\$ 1,108,406
Accounts payable and accrued liabilities	16,094	19,525
Refundable security deposits and other	10,610	10,418
Capital lease obligations	6,905	7,203
Future income taxes	60,200	58,755
	\$ 1,231,194	\$ 1,204,307
Shareholders' Equity		
Share capital	\$ 258,853	258,202
Retained earnings	25,656	26,782
	284,509	284,984
	\$ 1,515,703	\$ 1,489,291

Consolidated Statements of Earnings

(Cdn. \$ Thousands, except per share amounts)

	3 Months March 31, 2002	3 Months March 31, 2001
Revenue		
Rental income	\$ 54,762	\$ 49,970
Sales - properties held for resale	-	18,009
	\$ 54,762	\$ 67,979
Expenses		
Revenue producing properties:		
Operating expenses	5,869	5,967
Utilities	10,296	10,092
Utility rebate	(3,236)	(3,265)
Property taxes	5,206	4,810
Cost of sales - properties held for resale	-	10,525
Administration	4,389	3,883
Financing costs	17,316	16,687
Amortization	10,906	12,454
	\$ 50,746	\$ 61,153
Operating earnings before income taxes	\$ 4,016	6,826
Large corporations taxes	661	754
Income taxes	1,421	1,194
Net earnings for the period	\$ 1,934	\$ 4,878
Net earnings per share		
- Basic	\$ 0.04	\$ 0.10
- Diluted	\$ 0.04	\$ 0.10

Consolidated Statement of Retained Earnings – As at

(Thousands of dollars, except per share amounts)

	3 months ended March 2002 (unaudited)	3 months ended March 2001 (unaudited)
Retained earnings, beginning of period	\$ 26,782	\$ 47,788
Net earnings (loss)	\$ 1,934	\$ 4,878
Dividends paid	(2,477)	(2,496)
Premium on share repurchases	(583)	(2)
Retained earnings, end of period	\$ 25,656	\$ 50,168

Consolidated Statement of Cash Flows

(Cdn. \$ Thousands)

	3 Months ended March 31, 2002	3 Months ended March 31, 2001
Cash obtained from (applied to):		
Operating activities		
Net earnings	\$ 1,934	\$ 4,878
Income taxes	1,421	1,194
Amortization	10,906	12,454
Funds from operations	14,261	18,526
Net change in operating working capital	3,112	(6,815)
Net change in properties held for resale	(133)	9,694
Total operating cash flows	\$ 17,240	\$ 21,405
Financing activities		
Issue of common shares for cash (net of issue costs)	\$ 1,112	\$ 39
Stock repurchase program	(1,045)	(5)
Dividends paid	(2,477)	(2,496)
Financing of revenue producing properties	85,181	32,638
Repayment of debt on revenue producing properties	(58,202)	(24,754)
Deferred financing costs	(1,815)	(1,063)
	\$ 22,754	\$ 4,359
Investing activities		
Purchases of revenue producing properties	\$ (2,826)	\$ (6,738)
Project improvements to revenue producing properties	(6,536)	(15,763)
Technology	(554)	(5,533)
	\$ (9,916)	\$ (28,034)
Increase (Decrease) in cash and cash equivalents balance during period	\$ 30,078	\$ (2,270)
Cash and cash equivalents, beginning of period	\$ 25,672	\$ 21,055
Cash and cash equivalents, end of period	\$ 55,750	\$ 18,785
Funds from operations per share		
- Basic	\$ 0.29	\$ 0.37
- Diluted	\$ 0.29	\$ 0.37
Taxes paid	\$ 753	\$ 609
Interest paid	\$ 16,797	\$ 16,393