

**Quality**  
**Diversity**  
**Expansion**



## BOARDWALK REIT

**Q1 2004 Conference Call**

**May 13, 2004**

416-640-4127 (within Toronto) or 1-800-814-4861





# Q1 2004 Conference Call

Certain statements in this call / presentation may be considered forward-looking statements within the meaning of existing securities laws. Although Boardwalk believes that the expectations set forth in such statements are based on reasonable assumptions, Boardwalk's future operations and its actual performance may differ materially from those in any forward – looking statements. Additional information that could cause actual results to differ materially from these statements are detailed in the earnings press release and in other publicly filed documents, including Boardwalk's Annual Report, Annual Information Form and quarterly reports.



# Topics for Discussion

- Q1 Results - Overview
- Financial and Operations Review
  - Portfolio Highlights
  - Operations Review and Performance
  - Stabilized Building Analysis
  - Financial Overview and Summary
  - Outlook and Guidance
- Q&A



# Overview – Q1 Highlights

<b>(\$ in Millions, except per share amounts)</b>	<b>3 Months Mar-04</b>		<b>% Change</b>
Rental revenue	\$ 69.8	up	6.2%
NOI	\$ 43.2	up	5.9%
Total FFO	\$ 16.5	up	6.5%
Total FFO per share	\$ 0.32	up	3.2%
FFO, excluding all property sales	\$ 16.5	up	14.6%
FFO per share, excluding all property sales	\$ 0.32	up	10.3%



# Acquisitions Quarterly Summary

## Acquisitions

Building Name	Date Acquired	City	Units	Purchase Price	Price/ Unit	Going in Cap Rate	Avg. Sq. Ft.	Price/ Sq.Ft.
<b>Q1 2004</b>								
Complexe Laudance	11-Feb-04	Saint-Foy/Quebec City, QC	183	\$ 16,850,000	\$92,077	7.96%	735	\$ 125.3
<b>Subsequent Events</b>								
<b>Q2 2004</b>								
Domaine du Rocher	5/13/2004	Levis/Quebec City, QC	64	\$ 3,500,000	\$54,688	7.65%	1065	\$ 51.3
Forest Glade Townhomes	5/14/2004	Windsor, ON	31	\$ 2,500,000	\$80,645	9.53%	1250	\$ 64.5
Résidence le Quatre Cent	expected to close 5/19/2004	Laval/Monreal, QC	259	\$ 17,300,000	\$66,795	8.01%	593	\$ 112.6
<b>Q2 Total</b>			354	\$ 23,300,000	\$65,819	8.08%	736	\$ 89.4
<b>Total</b>			537	\$ 40,150,000	\$74,767	8.04%	736	\$ 101.6



# Portfolio Expansion – Recent Acquisition Highlights



**Domaine du Rocher** (300  
– 454 rue Hector-Fabre),  
Quebec City (Levis), Quebec

**Units: 64**

**Date Acquired: May 13,  
2004**

**Purchase Price: \$3.5MM**

Going in Cap Rate: 7.65%  
Per unit: \$54,700

Per sq. ft.: \$51.3 (avg. 1,065  
sq. ft.)





# Portfolio Expansion – Recent Acquisition Highlights



**Forest Glade** (2932 – 2992  
Wildwood Dr.), Windsor,  
Ontario

Units: 31

Closing date: May 14,  
2004

Purchase Price: \$2.5MM

Going in Cap Rate: 9.53%

Per unit: \$80,600

Per sq. ft.: \$64.5 (avg.  
1,250 sq. ft.)





# Portfolio Expansion – Recent Acquisition Highlights



## Résidence le Quatre Cent

(400 Place Juge-Desnoyers),  
Montreal (Laval), Quebec

Units: 259

Closing date: May 19, 2004

Purchase Price: \$17.3MM

Going in Cap Rate: 8.01%

Per unit: \$66,800

Per sq. ft.: \$112.6 (avg. 593 sq.  
ft.)





# Funds from Operations

(in 000's, except per share amounts)

	<b>3 Months</b>	<b>3 Months</b>
	<b>Mar-04</b>	<b>Mar-03</b>
Net earnings from continuing operations	\$ (1,227)	\$ 1,518
Add		
Earnings from discontinued operations	\$ -	\$ 1,080
Deferred income taxes	\$ 342	\$ 1,799
Deferred Income taxes on discontinued operations	\$ -	\$ 329
Amortization	\$ 17,373	\$ 12,175
<b>Total funds from operations</b>	<b>\$ 16,488</b>	<b>\$ 16,901</b>
<b>Funds from operations - excluding all property sales</b>	<b>\$ 16,488</b>	<b>\$ 14,412</b>
Funds from operations (excluding all property sales) - per share	\$ 0.32	\$ 0.29
Net earnings per share	\$ (0.02)	\$ 0.03
Note 1: All disposals on or after January 1, 2003, and related results of operations and cash flows, are now classified as part of discontinued operations in accordance with CICA Handbook Section 3475. Disposals before January 1, 2003, and related results of operations and cash flow, continue to be classified as part of continuing operations.		



# Recurring Distributable Income (RDI)

(in 000's, except per share amounts)

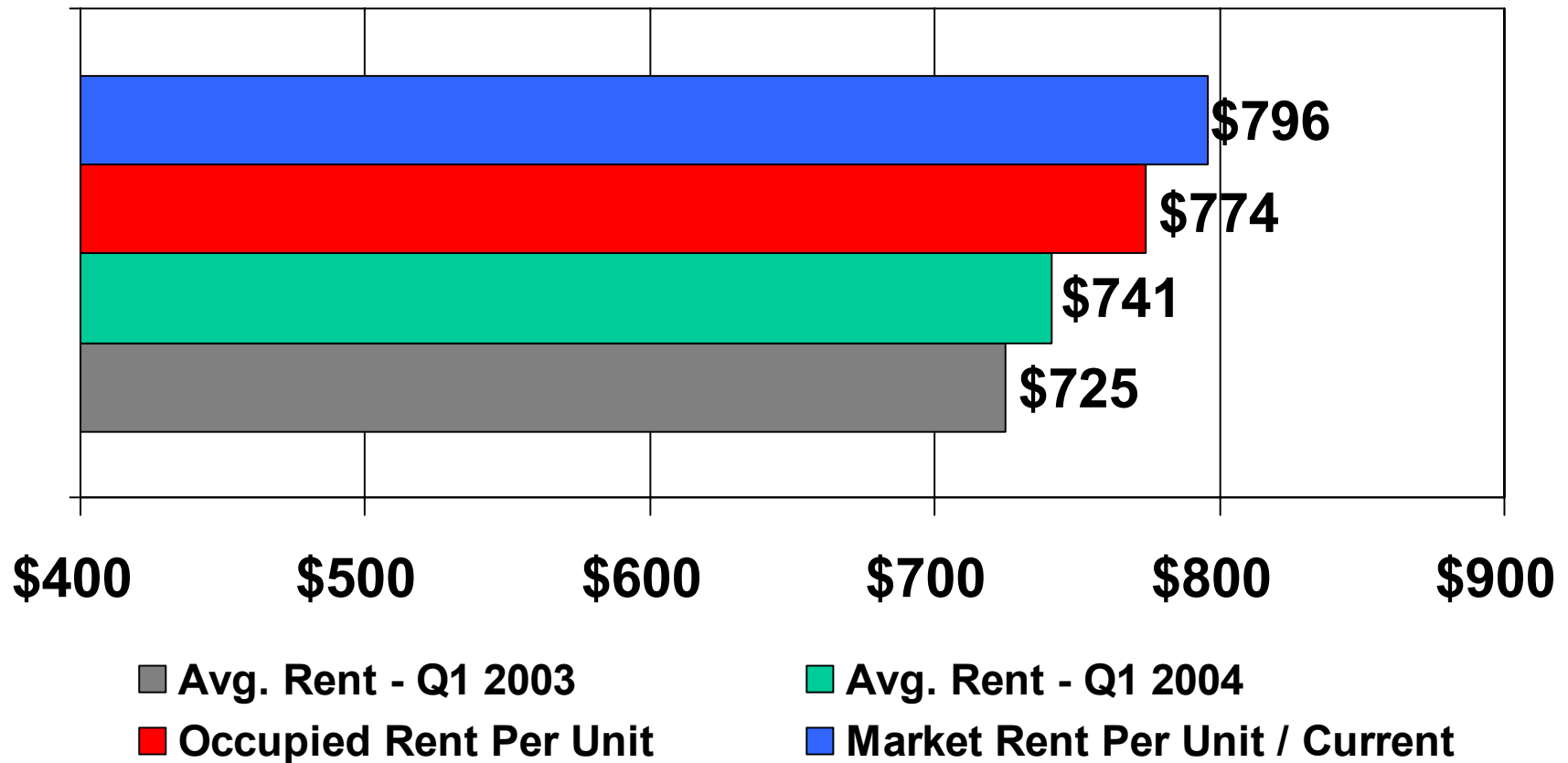
	<b>3 Months Mar-04</b>	<b>3 Months Mar-03</b>
Funds From Operations - excluding property sales	<u>\$ 16,488</u>	<u>\$ 14,412</u>
Add		
Amortization of historic deferred financing costs	\$ 701	\$ 664
Premium on acquisition debt mark to market	\$ (254)	\$ (119)
<b>Total Recurring Distributable Income</b>	<u><u>\$ 16,935</u></u>	<u><u>\$ 14,957</u></u>
<b>Total Recurring Distributable Income - per share</b>	<u>\$ 0.33</u>	<u>\$ 0.30</u>
<b>Increase</b>		<u><u>11%</u></u>



# Monthly Rental Revenue Statistics

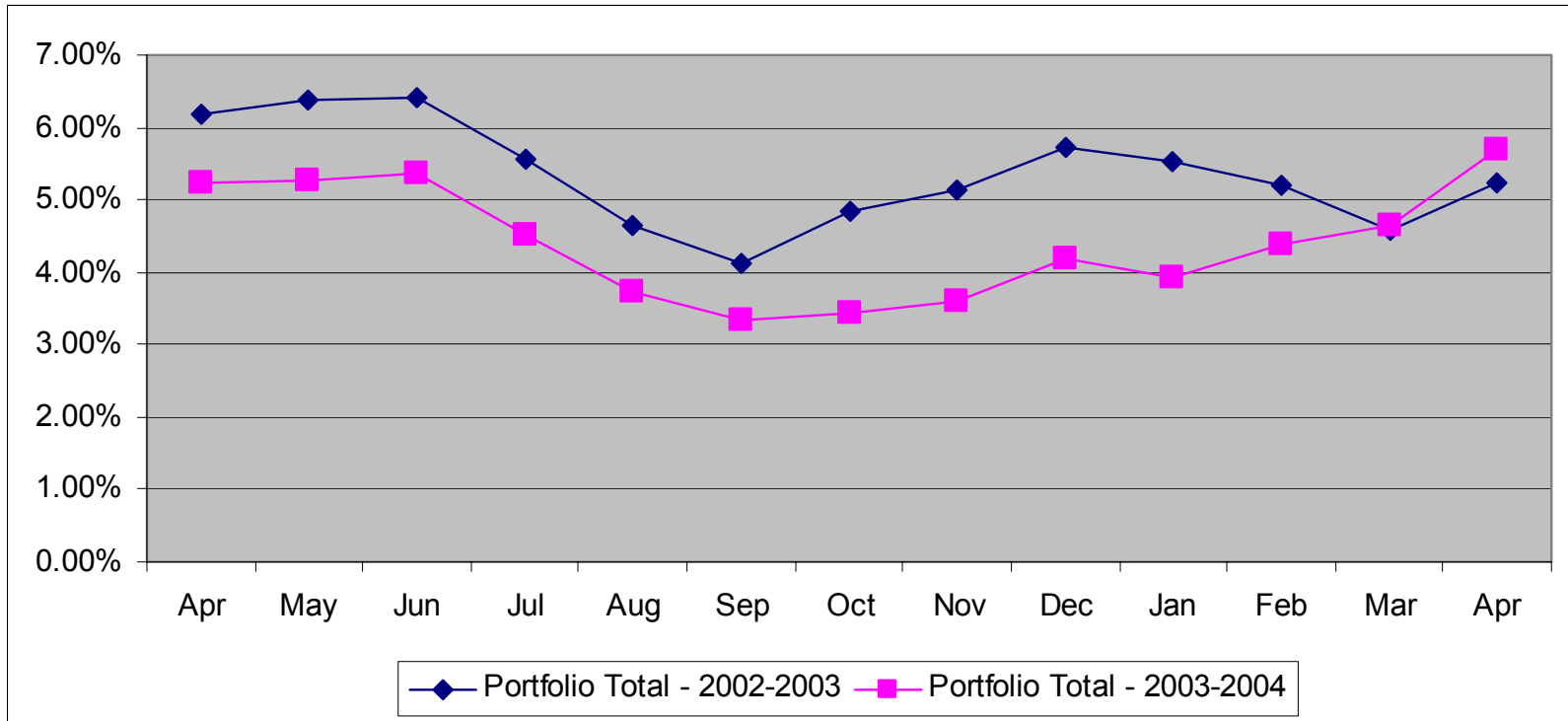
## 3 Months Ended March 2004

(Per Unit)





# Vacancy Rates – 2004 vs. 2003



# Sensitivity Analysis

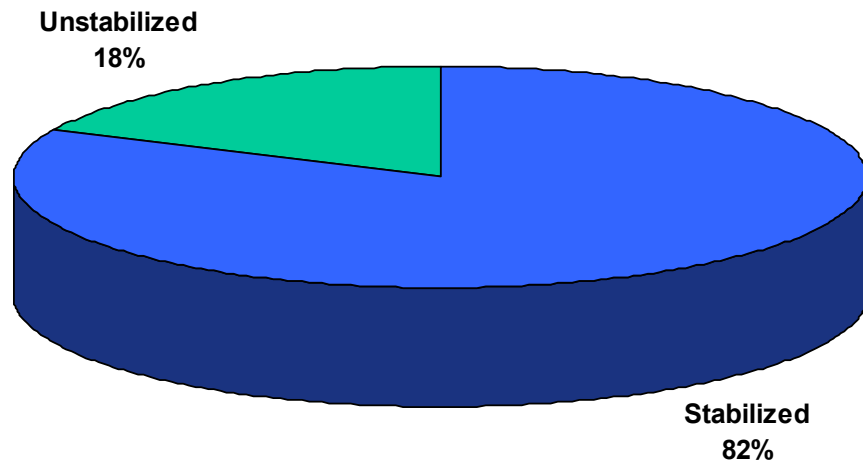
## Vacancy Rates:

→ 1% change

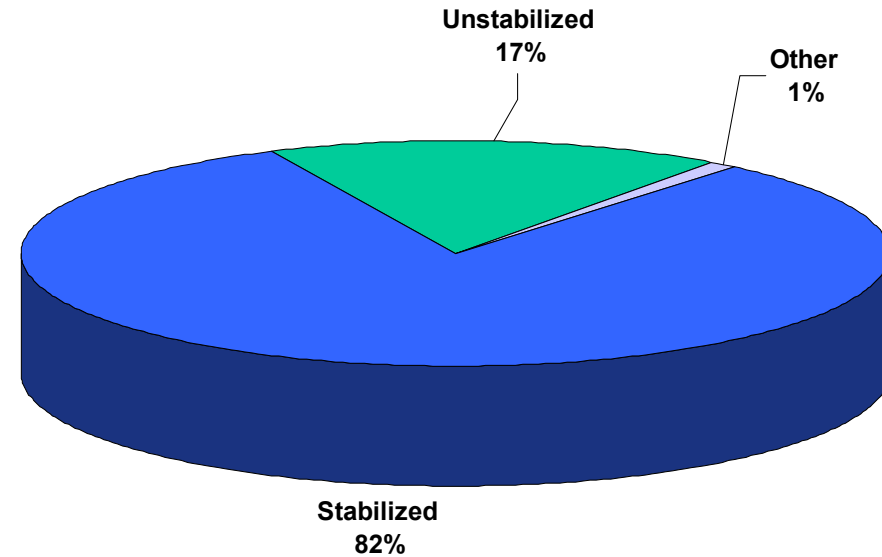
- \$2.8 million
- \$0.05 per share

# Stabilized Analysis

## Units



## Gross Rental Revenue Analysis





# Stabilized Portfolio Review

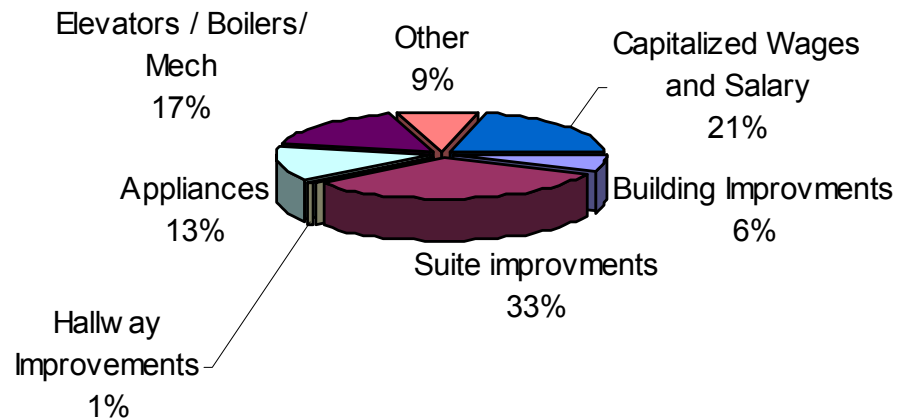
## 3 Months Ended March 31, 2004

<b>3 Months 31-Mar-04</b>	<b># of Units</b>	<b>Rental Revenue</b>	<b>Utilities</b>	<b>Other</b>	<b>Total Operating Costs</b>	<b>NOI</b>
Calgary	4,881	0.2%	2.2%	-1.7%	-0.1%	0.4%
Edmonton	10,552	1.2%	2.4%	-7.1%	-3.0%	3.4%
Other Alberta	1,604	3.4%	3.3%	-11.0%	-5.5%	7.9%
Ontario	4,132	4.0%	-14.5%	-1.6%	-7.2%	16.4%
Saskatchewan	4,606	2.2%	20.0%	-4.8%	4.0%	1.0%
<b>Total</b>	<b>25,775</b>	<b>1.7%</b>	<b>1.1%</b>	<b>-4.8%</b>	<b>-2.4%</b>	<b>4.2%</b>
<b>No Rebate</b>		<b>1.7%</b>	<b>10.6%</b>	<b>-4.8%</b>	<b>1.6%</b>	<b>1.8%</b>



# Capital Investment Three Months - 2004

## Capital Improvements - 3 M March 2004



Total Capital Invested: \$6.0 Million



# Mortgage Maturity Schedule

<b>Fiscal Year</b>	<b>Mortgage Balance as at Mar 31, 2004</b>	<b>Average by year</b>
2004	135,646	5.21%
2005	153,599	4.91%
2006	172,224	4.98%
2007	253,291	5.46%
2008	254,094	6.09%
2009	157,136	6.09%
2010	90,787	6.23%
2011	77,388	6.15%
2012	30,732	6.19%
2013	37,066	5.46%
2014	4,736	5.91%
Subsequent	27,542	6.59%
<b>Grand Total</b>	<b>1,394,241</b>	<b>5.63%</b>

Weighted average Interest rate - 5.63%

Average term to maturity – 3.97 years



# Mortgage Highlights

<b>Mortgages Outstanding in millions</b>	<b>\$</b>	<b>1,394</b>
<b>% NHA Insured</b>		<b>95%</b>
<b>Existing Bond Spreads</b>		<b>40 to 60 basis points</b>
<b>Interest Coverage</b>		
	<b>Q1 2004</b>	<b>1.93</b>
	<b>Q1 2003</b>	<b>1.84</b>



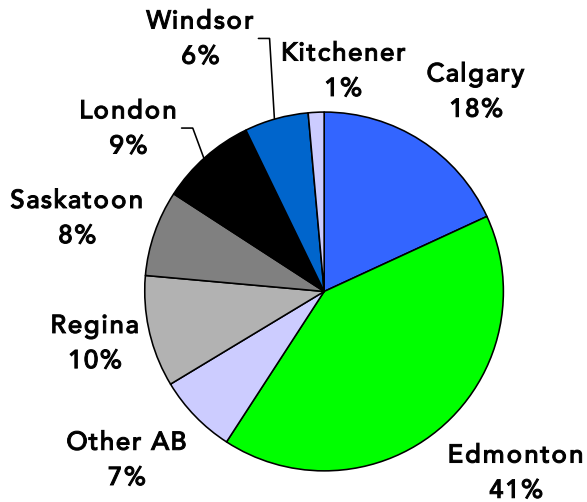
# Boardwalk REIT Guidance

- Management's 2004 Guidance -- Full REIT Conversion
  - 2004 FFO guidance \$1.37 to \$1.44 per unit
    - Based on:
      - 53.23 million units outstanding subsequent to exercise of all options
      - 2004 acquisitions of 1,000 to 2,000 units
      - 1.0% to 2.0% same store NOI growth
      - \$1.5 million in Large Corporation Tax reduction
  - Reoccurring Distributable Income per unit \$1.43 to \$1.49
    - No secondary offering, thus must include deferred financing costs as a deduction in the calculation of Distributable Income
  - Distribution payout ratio in the range of 85%
    - Announced annualized distributions of \$1.24 per REIT unit
  - Approximately 70% of distributions will be tax deferred in 2004



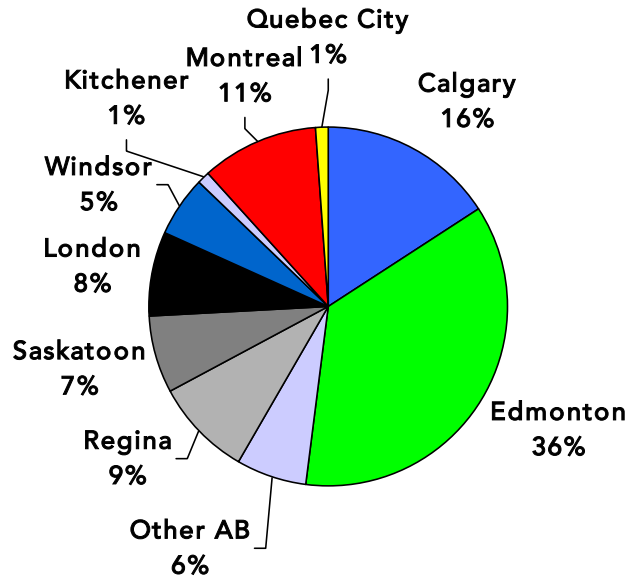
# Portfolio Growth and Diversification

**Dec. 01**



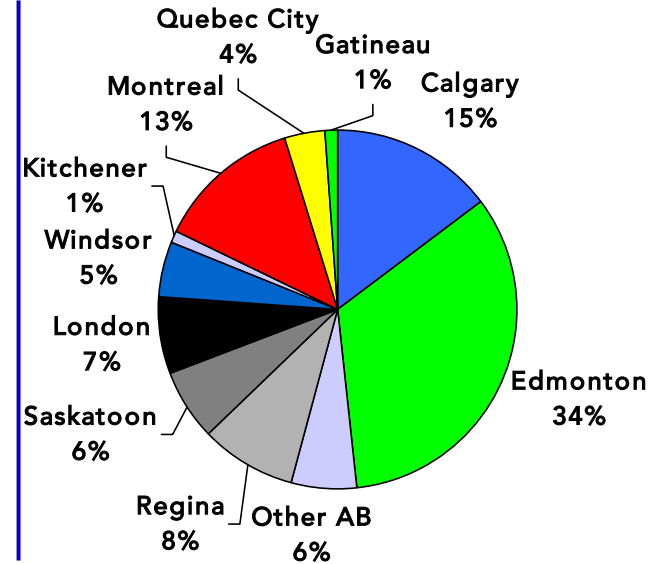
**25,889 Units**

**Dec. 02**



**29,326 Units**

**Mar. 2004**



**31,425 Units**

**Increasing Diversification**



# REIT Overview

- REIT Conversion effective May 3, 2004
- Taxable event for BEI shareholders
  - Boardwalk will issue a press release on the deemed disposition price
- Listeners should refer to the Management Information Circular dated Mar 29, 2004 available on the web for further details
- Seek your own financial advice.



# REIT Overview

- **Boardwalk REIT's Distribution**
  - Monthly distributions will commence on June 15, 2004 (Record Date May 31 2004)
  - Monthly distribution will be \$.103 per outstanding unit
  - Boardwalk has established a Distribution Reinvestment Plan
    - an additional distribution of 3%

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