



**Supplemental Information
for the three months ended March 31, 2007**



Introduction

- This supplemental information package is intended to provide interested parties with additional financial and other information on BPO Properties.
- The information herein should be read in conjunction with the company's interim and annual reports, including management's discussion and analysis.
- This information is available on the company's Web site and is updated at least quarterly.

Inquiries

BPO welcomes inquiries from shareholders, analysts, media representatives and other interested parties. Questions relating to investor relations or media inquiries can be directed to Melissa Coley, Vice President Investor Relations and Communications at (416) 359-8593 or via e-mail at mcoley@bpoproperties.com. Inquiries regarding financial results should be directed to Bryan Davis, Senior Vice President and Chief Financial Officer, at (416) 359-8612 or via e-mail at bdavis@bpoproperties.com.

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All amounts denominated in Canadian dollars.



Overview

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Corporate Profile

BPO Properties Ltd. is one of Canada's premier public real estate companies focused on the ownership and value-enhancement of premier office properties. The portfolio is comprised of interests in 32 commercial properties totalling approximately 20.2 million square feet and five development projects totalling 5.5 million square feet. Our portfolio includes landmark properties such as First Canadian Place in Toronto and Bankers Hall in Calgary. The Company's common shares trade on the Toronto Stock Exchange under the symbol "BPP".

This accompanying financial information makes reference to net operating income and funds from operations ("FFO") on a total and per share basis. Net operating income is defined as income from property operations after operating expenses have been deducted, but prior to deducting financing, administrative and income tax expenses. BPO Properties defines FFO as net income prior to extraordinary items, one-time transaction costs, income taxes, non-cash items and depreciation and amortization. The company uses net operating income and FFO to assess its operating results. Net operating income is important in assessing operating performance and FFO is a relevant measure to analyze real estate, as commercial properties generally appreciate rather than depreciate. The company provides the components of net operating income on pages 19 and a full reconciliation from net income to FFO on page 13. The company reconciles FFO to net income as opposed to cashflow from operating activities as it believes net income is the most comparable measure. Net operating income and FFO are both non-GAAP measures which do not have any standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies.

Refer to page 39 for disclaimer on Forward-Looking Statements.



Company Contacts & Research Coverage

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Common Share Trading

Common Shares

BPO Properties is listed on the Toronto Stock Exchange under the symbol “BPP”.

BPO Trading Statistics - The Toronto Stock Exchange

Source: Bloomberg

	Three Months Ended				
	Mar. 31, 2007	Dec. 31, 2006	Sept. 30, 2006	Jun. 30, 2006	Mar. 31, 2006
High	\$ 69.75	\$ 75.90	\$ 56.25	\$ 48.00	\$ 44.75
Low	\$ 62.00	\$ 52.00	\$ 43.75	\$ 41.00	\$ 39.00
Close	\$ 68.99	\$ 69.92	\$ 53.95	\$ 43.50	\$ 44.00
Volume	156,695	134,105	104,120	453,323	257,548
Dividends paid per share	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15



Selected Financial Information

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Financial Overview

(Millions)	Three months ended March 31	
	2007	2006
Commercial property net operating income before the following:	\$ 42.9	\$ 38.8
Intangible lease amortization	3.6	3.1
Straight-line rental income	1.1	1.0
Commercial property net operating income	47.6	42.9
Funds from continuing operations	36.0	35.3
Funds from discontinued operations before property disposition gains	1.2	2.6
Funds from operations total	37.2	37.9
Net income	59.3	14.2
Interest expense	8.9	11.2
Preferred share dividends	4.5	3.3
Common share dividends	4.3	4.3
Weighted average common shares outstanding	28.5	28.5
(Millions)	Mar. 31, 2007	Dec. 31, 2006 ⁽¹⁾
Total assets - book value	\$ 2,071.7	\$ 2,098.6
Commercial property - book value	1,449.4	1,456.2
Commercial property debt	873.1	929.1
Shareholders' equity	989.7	939.0
Total capitalization (market value of equity plus debt)	3,222.8	3,306.0

(1) Certain comparative information has been reclassified to conform with current presentation.



Ratio Analysis

	Mar. 31 2007	Dec. 31 ⁽¹⁾ 2006
Industry Benchmarks		
Debt to total market capitalization (total debt / market capitalization)	27%	28%
Debt to total book capitalization (total debt / total book capitalization)	42%	44%
% of Non-recourse commercial property debt	100%	100%
<hr/>		
For the three months ended March 31	2007	2006
Operating Ratios		
Interest coverage ratio (funds from operations prior to gains + interest expense) / interest expense	5.0x	4.1x
Debt service coverage ratio (funds from operations prior to gains + interest expense) / (interest + principal amortization)	3.8x	3.3x
Fixed charge coverage ratio (funds from operations prior to gains + interest expense) / (interest expense + preferred dividends + principal amortization)	2.8x	2.7x

(1) Certain comparative information has been reclassified to conform with current presentation.



Balance Sheet

(Millions)	Mar. 31 2007	Dec. 31 2006 ⁽¹⁾
Assets		
Commercial properties	\$ 1,449.4	\$ 1,456.2
Commercial developments	330.3	312.8
Loans receivable	60.8	100.2
Intangible assets	58.2	61.7
Tenant receivables and other assets	62.3	58.4
Cash	103.2	27.7
Assets related to discontinued operations	7.5	81.6
	\$ 2,071.7	\$ 2,098.6
Liabilities		
Commercial property debt	\$ 873.1	\$ 929.1
Intangible liabilities	100.9	104.3
Accounts payable and other liabilities	77.0	69.4
Future income tax liability	22.9	10.2
Liabilities related to discontinued operations	8.1	46.6
Shareholders' equity		
Preferred shares	381.7	381.7
Common shares	78.9	78.9
Retained earnings	529.1	478.4
	\$ 2,071.7	\$ 2,098.6

(1) Certain comparative information has been reclassified to conform with current year presentation.



Income Statement

	Three months ended Mar. 31	
(Millions, except per share amounts)	2007	2006
Total revenue before gains	\$ 90.9	\$ 90.8
Net operating income		
Operating income from commercial properties	\$ 47.6	\$ 42.9
Loans and investment income	3.1	7.6
	50.7	50.5
Expenses		
Interest	8.9	11.2
Administrative and large corporation tax	5.8	4.0
	36.0	35.3
Depreciation and amortization	15.9	14.2
Income taxes	6.9	7.5
Net income from continuing operations	13.2	13.6
Discontinued operations	46.1	0.6
Net income	\$ 59.3	\$ 14.2
Net income per common share		
Continuing operations	\$ 0.30	\$ 0.36
Discontinued operations	1.62	0.02
Net income per common share	\$ 1.92	\$ 0.38
Funds from operations per common share		
Prior to property disposition gains and discontinued operations	\$ 1.10	\$ 1.12
Property disposition gains	1.91	—
Discontinued operations	0.05	0.09
Funds from operations and gains per common share	\$ 3.06	\$ 1.21



FFO – Per Share Calculations and Reconciliation of Net Income to FFO

(Millions, except per share information)	Three months ended March 31	
	2007	2006
Net income	\$ 59.3	\$ 14.2
Preferred share dividends	(4.5)	(3.3)
Net income available for common shareholders	\$ 54.8	\$ 10.9
Weighted average shares outstanding	28.5	28.5
Net income per common share	\$ 1.92	\$ 0.38

Reconciliation of Net Income to FFO:

(Millions)	Three months ended March 31	
	2007	2006
Net income	\$ 59.3	\$ 14.2
Depreciation and amortization ⁽ⁱ⁾	16.0	15.8
Income taxes ⁽ⁱⁱ⁾	16.5	7.9
Funds from operations and gains	91.8	37.9
Property disposition gains	(54.6)	—
Funds from operations	\$ 37.2	\$ 37.9

(i) Includes depreciation and amortization from discontinued operations of \$0.1 million and \$1.6 million for the three months ended March 31, 2007 and March 31, 2006, respectively

(ii) Includes income taxes from discontinued operations of \$9.6 million and \$0.4 million for the three months ended March 31, 2007 and March 31, 2006, respectively

After providing for preferred share dividends, BPO Properties' FFO per common share is calculated as follows:

(Millions, except per share information)	Three months ended March 31	
	2007	2006
Funds from operations	\$ 37.2	\$ 37.9
Preferred share dividends	(4.5)	(3.3)
Funds available for common shareholders	\$ 32.7	\$ 34.6
Weighted average shares outstanding	28.5	28.5
FFO per common share	\$ 1.15	\$ 1.21

The accompanying financial information makes reference to funds from operations ("FFO") on a total and per share basis. BPO Properties defines FFO as net income prior to extraordinary items, one-time transaction costs, income taxes, non-cash items and depreciation and amortization. The company uses FFO to assess its operating results. FFO is a relevant measure to analyze real estate, as commercial properties generally appreciate rather than depreciate. The company reconciles FFO to net income as opposed to cashflow from operating activities as it believes net income is the most comparable measure. FFO is a non-GAAP measure which does not have any standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies.



Discontinued Operations Income and FFO

The Company adopted the provisions of CICA Handbook Section 3475. The Company's application of this section results in the presentation of the net operating results of qualifying properties sold or held for sale during 2007 and 2006 as income from discontinued operations for all periods presented. The following table summarizes income from discontinued operations:

(Millions, except per share amounts)	Three months ended Mar. 31	
	2007	2006
Revenue from discontinued operations	\$ 3.5	\$ 7.0
Expense	(1.9)	(3.4)
Net operating income - discontinued operations	1.6	3.6
Interest expense	(0.4)	(1.0)
Funds from operations - discontinued operations	1.2	2.6
Gain on sale of discontinued operations	54.6	—
Depreciation and amortization	(0.1)	(1.6)
Income taxes related to discontinued operations	(9.6)	(0.4)
Net income	\$ 46.1	\$ 0.6
Net income per share - discontinued operations	\$ 1.62	\$ 0.02
Funds from operations per share - discontinued operations and gains	\$ 1.96	\$ 0.09

Discontinued operations sold during Q2 2006:

<p>Calagry, Alberta</p>	<p>840 - 7th Avenue SW McFarlane Tower Franklin Atrium Altalink Place Mount Royal Place Franklin Building</p>
<p>Winnipeg, Manitoba</p>	<p>330 St. Mary Avenue 175 Hargrave Street</p>

Discontinued operations sold during Q1 2007:

<p>Toronto, Ontario</p>	<p>Atrium On Bay</p>
<p>Ottawa, Ontario</p>	<p>2200 Walkley Ave</p>
<p>Ottawa, Ontario</p>	<p>2204 Walkley Ave</p>

Discontinued operations at Q1 2007:

<p>Toronto, Ontario</p>	<p>18 King Street</p>
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Discontinued Operations Assets and Liabilities

(Millions)	Mar. 31 2007	Dec. 31 2006
Assets related to discontinued operations		
Commercial properties	\$ 6.0	\$ 77.2
Intangible assets	0.8	1.2
Tenant receivables and other assets	0.7	3.2
	\$ 7.5	\$ 81.6
Liabilities related to discontinued operations		
Commercial property debt	\$ 4.6	\$ 44.6
Intangible liabilities	0.1	0.1
Accounts payable and other liabilities	3.4	1.9
	\$ 8.1	\$ 46.6



Income Statement by Quarter

(Millions, except per share amounts)	2007	2006			
	Q1	Q4	Q3	Q2	Q1
Total revenue	\$ 90.9	\$ 98.5	\$ 96.2	\$ 88.8	\$ 90.8
Net operating income					
Operating income from commercial properties	\$ 47.6	50.5	48.6	44.8	42.9
Loans and investment income	3.1	4.2	6.3	3.2	7.6
	50.7	54.7	54.9	48.0	50.5
Expenses					
Interest	8.9	10.7	11.1	11.2	11.2
Administrative and large corporation tax	5.8	3.4	4.2	5.1	4.0
	36.0	40.6	39.6	31.7	35.3
Depreciation and amortization	15.9	15.9	15.9	15.7	14.2
Income taxes	6.9	8.5	8.1	5.0	7.5
Net income from continuing operations	13.2	16.2	15.6	11.0	13.6
Discontinued operations	46.1	0.9	0.7	14.1	0.6
Net income	\$ 59.3	\$ 17.1	\$ 16.3	\$ 25.1	\$ 14.2
Net income per common share					
Continuing operations	\$ 0.30	\$ 0.43	\$ 0.40	\$ 0.23	\$ 0.36
Discontinued operations	1.62	0.03	0.02	0.50	0.02
	\$ 1.92	\$ 0.46	\$ 0.42	\$ 0.73	\$ 0.38
Funds from operations per common share					
Prior to property disposition gains and discontinued operations	\$ 1.10	\$ 1.28	\$ 1.25	\$ 0.95	\$ 1.12
Property disposition gains	1.91	—	—	0.55	—
Discontinued operations	0.05	0.06	0.05	0.08	0.09
	\$ 3.06	\$ 1.34	\$ 1.30	\$ 1.58	\$ 1.21



Cashflow Statement

(\$ millions)	Three months ended Mar. 31	
	2007	2006
Operating activities		
Net income	\$ 59.3	\$ 14.2
Depreciation & amortization	16.0	15.8
Future income taxes	12.6	7.9
Property disposition gains	(54.6)	—
Amortization of FAS 141 above/below market rent	(3.6)	(3.1)
Loans receivable - discount amortization	(0.5)	(0.6)
Loans receivable - foreign exchange change	0.1	0.1
Deferred leasing costs	(1.2)	(0.7)
Increase in receivables	(3.4)	(4.0)
Increase in other assets	(2.5)	(2.4)
Decrease in accounts payable and other liabilities	7.0	5.7
Cashflow provided by operating activities	29.2	32.9
Investing activities		
Marketable securities	—	66.7
Loan receivables collections	40.8	7.0
Acquisitions of real estate - land	—	(3.6)
Acquisitions of real estate - development	—	(10.9)
Dispositions of real estate, net	88.0	—
Development and redevelopment investments	(17.5)	(4.3)
Commercial property tenant improvements	(2.1)	(1.0)
Capital expenditures	(1.4)	(0.6)
Cashflow provided by investing activities	107.8	53.3
Financing activities		
Commercial property debt repayments	(49.2)	—
Commercial property debt principal amortization repayment	(2.9)	(3.0)
Amortization of debt premium/discount	(0.6)	(0.7)
Preferred share dividends	(4.5)	(3.3)
Common share dividends	(4.3)	(4.3)
Cashflow used in financing activities	(61.5)	(11.3)
Increase in cash	75.5	74.9
Cash, beginning of period	27.7	21.5
Cash, end of period	\$ 103.2	\$ 96.4



Components of Total Revenue

The components of total revenue are as follows:

(Millions)	Three months ended Mar. 31	
	2007	2006
Commercial property operations		
Revenue from continuing operations	\$ 80.9	\$ 73.0
Fee income	3.4	3.2
Revenue from discontinued operations	3.5	7.0
Total commercial property revenue	87.8	83.2
Loans and investment income	3.1	7.6
Total revenue	\$ 90.9	\$ 90.8



Commercial Net Operating Income

The components of commercial net operating income are as follows:

(Millions)	Three months ended		
	Mar. 31, 2007	Dec. 31, 2006	Mar. 31, 2006
Commercial property operations			
Revenue from continuing operations and fee income	\$ 84.3	\$ 89.0	\$ 76.2
Operating expenses	36.7	38.5	33.3
Net operating income	\$ 47.6	\$ 50.5	\$ 42.9

(Millions)	Three months ended		
	Mar. 31, 2007	Dec. 31, 2006	Mar. 31, 2006
Same-store net operating income	\$ 44.5	\$ 44.7	\$ 42.9
Acquisitions	3.1	3.2	—
Non recurring and other income	—	2.6	—
Net operating income	\$ 47.6	\$ 50.5	\$ 42.9

(Millions)	Three months ended		
	Mar. 31, 2007	Dec. 31, 2006	Mar. 31, 2006
Intangible lease amortization	\$ 3.6	\$ 3.6	\$ 3.1
Straight-line rental revenue	1.1	0.8	1.0

This supplemental financial information makes reference to net operating income. Net operating income is defined as income from property operations after operating expenses have been deducted, but prior to deducting financing, administrative and income tax expenses. The company uses net operating income to assess its operating results. Net operating income is important in assessing operating performance. The company provides the components of net operating income. Net operating income is a non-GAAP measure which does not have any standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies.



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Summary of Properties

Commercial Properties

Commercial property assets consist largely of office properties containing approximately 26 million square feet of space, in which BPO Properties has a net interest in approximately 14 million square feet.

Mar. 31, 2007	Leasable Area (000's Sq.Ft.)	BPO Owned Interest (000's Sq.Ft.)	Book Value (Millions)	Debt (Millions)	Net Book Equity (Millions)
Toronto, Ontario	7,502	3,813	\$ 624.0	\$ 367.2	\$ 256.8
Ottawa, Ontario	2,780	695	102.9	53.7	49.2
Calgary, Alberta	7,845	3,544	594.5	433.5	161.0
Edmonton, Alberta	710	177	17.8	10.3	7.5
Vancouver, B.C.	853	853	106.2	—	106.2
Other	212	55	4.0	—	4.0
Continuing operations	19,902	9,137	1,449.4	864.7	584.7
Discontinued operations	251	63	6.0	4.6	1.4
	20,153	9,200	1,455.4	869.3	586.1
Commercial developments	5,500	4,595	330.3	8.4	321.9
Total	25,653	13,795	\$ 1,785.7	\$ 877.7	\$ 908.0

Geographic Distribution

Mar. 31, 2007	Net Operating Income (Millions)	Net Operating Income % Contribution
Toronto, Ontario	20.4	42.9%
Ottawa, Ontario	2.3	4.8%
Calgary, Alberta	21.6	45.4%
Edmonton, Alberta	0.7	1.5%
Vancouver, B.C.	2.5	5.3%
Other	0.1	0.1%
Total	\$ 47.6	100.0%



Property Listing

Mar. 31, 2007	Number of Properties	Leased %	Office 000's Sq. Ft.	Retail 000's Sq. Ft.	Parking 000's Sq. Ft.	Leasable Area 000's Sq. Ft.	Effective Ownership Interest %	BPO's Effective Interest 000's Sq. Ft.
TORONTO								
First Canadian Place	1	97.3%	2,379	232	170	2,781	25%	695
Exchange Tower	1	96.2%	963	66	131	1,160	50%	580
Hudson's Bay	1	94.0%	536	261	295	1,092	100%	1,092
2 Queen St E.	1	98.6%	448	16	81	545	25%	136
Queen's Quay Terminal	1	99.3%	429	75	—	504	100%	504
151 Yonge Street	1	96.8%	289	10	72	371	25%	93
2-24 St. Clair Ave West	1	95.6%	219	12	68	299	25%	75
18 King Street East	1	95.8%	219	9	23	251	25%	63
105 Adelaide Street West	1	100.0%	176	7	49	232	100%	232
HSBC Building	1	100.0%	188	6	31	225	100%	225
40 St. Clair Ave. West	1	97.3%	117	4	28	149	25%	37
20-22 Front St. W	1	99.2%	136	8	—	144	100%	144
	12	97.1%	6,099	706	948	7,753		3,876
OTTAWA								
Place de Ville I	2	99.0%	569	18	502	1,089	25%	272
Place de Ville II	2	98.5%	591	19	433	1,043	25%	261
Jean Edmonds Tower	2	99.7%	540	13	95	648	25%	162
	6	99.0%	1,700	50	1,030	2,780		695
CALGARY								
Bankers Hall	3	99.7%	1,944	224	525	2,693	50%	1,347
Petro-Canada Centre	2	100.0%	1,708	24	220	1,952	50%	976
Fifth Avenue Place	2	100.0%	1,430	45	206	1,681	50%	841
Gulf Canada Square	1	99.8%	1,047	73	21	1,141	25%	285
Altius Centre	1	100.0%	303	3	72	378	25%	95
	9	99.9%	6,432	369	1,044	7,845		3,544
EDMONTON								
Canadian Western Bank	1	96.8%	375	31	91	497	25%	124
Enbridge Tower	1	100.0%	179	4	30	213	25%	53
	2	97.8%	554	35	121	710		177
VANCOUVER								
Royal Centre	1	96.7%	494	95	264	853	100%	853
OTHER								
4342 Queen, Niagara Falls	1	68.6%	149	—	60	209	25%	52
Merivale Place, Nepean	1	100.0%	—	3	—	3	100%	3
	2	69.2%	149	3	60	212		55
TOTAL PORTFOLIO	32	98.2%	15,428	1,258	3,467	20,153		9,200



Historical Occupancy Analysis

The occupancy in BPO properties' portfolio, excluding development properties, is shown over the past five quarters:

(000's Sq.Ft.)	Mar. 31, 2007		Dec. 31, 2006		Sept. 30, 2006		Jun. 30, 2006		Mar. 31, 2006	
	Total Sq. Ft.	% Leased	Total Sq. Ft.	% Leased	Total Sq. Ft.	% Leased	Total Sq. Ft.	% Leased	Total Sq. Ft.	% Leased
Toronto, Ontario	7,753	97.1%	8,994	94.8%	8,995	94.4%	8,995	92.5%	8,995	92.9%
Ottawa, Ontario	2,780	99.0%	2,939	99.2%	2,938	99.2%	2,936	99.4%	2,936	99.7%
Calgary, Alberta	7,845	99.9%	7,845	99.8%	7,851	99.5%	7,851	99.7%	8,936	99.0%
Edmonton, Alberta	710	97.8%	710	98.4%	709	98.2%	709	95.9%	709	95.3%
Vancouver, B.C.	853	96.7%	853	95.4%	853	94.9%	853	95.5%	853	92.9%
Other	212	69.2%	212	85.2%	212	83.2%	212	83.2%	463	83.3%
Total	20,153	98.2%	21,553	97.2%	21,558	96.9%	21,556	96.1%	22,892	96.0%



Largest Tenants

Tenant	Location	Year of Expiry ⁽¹⁾	000's Sq Ft ⁽²⁾	% of Sq Ft ⁽²⁾	Credit Rating ⁽³⁾
Rated					
Government of Canada	Various	2010	1,850	11.1%	AAA
Bank of Montreal/Nesbitt Burns	Fifth Avenue, Bankers Hall, Exchange Tower, First Canadian Place, 2 Queen, Place de Ville, Gulf Canada Square	2018	1,128	6.8%	AA-
Petro-Canada	Petro-Canada Centre	2013	895	5.4%	BBB
Imperial Oil	Fifth Avenue	2011	633	3.8%	AAA
Talisman Energy	Bankers Hall	2015	527	3.2%	BBB+
RBC Financial Group	Royal Centre, Bankers Hall, Hudson's Bay Centre, Queen's Quay, First Canadian Place, Canadian Western Bank	2022	479	2.9%	AA-
CP Rail	Gulf Canada Square	2013	459	2.8%	BBB
ConocoPhillips	Gulf Canada Square	2010	445	2.7%	A-
Enbridge Inc.	Fifth Avenue, Enbridge Tower, Canadian Western Bank Place	2015	392	2.3%	A-
Canadian Natural Resources	Bankers Hall	2011	298	1.8%	BBB
CIBC	Bankers Hall, 22 Front	2034	280	1.7%	A+
EnCana Corporation	Bankers Hall	2014	241	1.4%	A-
Anadarko Canada Corp.	Fifth Avenue	2011	212	1.3%	BBB-
Manufacturers Life Insurance	2 Queen Street East	2013	169	1.0%	AAA
Amdocs Canada Inc	Hudson's Bay Centre, First Canadian Place	2012	155	0.9%	BBB-
CIT Financial Ltd.	Queen's Quay Terminal	2009	147	0.9%	A
Bell Canada	Petro-Canada Centre	2009	139	0.8%	A-
Lombard Insurance	105 Adelaide	2012	134	0.8%	BBB
Westcoast Energy	Fifth Avenue and Royal Centre	2012	132	0.8%	BBB+
State Street Trust Company	First Canadian Place	2008	118	0.7%	AA-
HSBC Of Canada	HSBC Building	2011	103	0.6%	AA
National Bank of Canada	Exchange Tower, Jean Edmonds Tower	2013	96	0.6%	A
Falconbridge	Queen's Quay Terminal, First Canadian Place	2015	92	0.6%	BBB+
Other investment grade	Various	Various	414	2.5%	BBB- or higher
			9,538	57.4%	
Government Agencies and Other					
Osler, Hoskin & Harcourt	First Canadian Place	2015	270	1.6%	
Bennett Jones	Bankers Hall and First Canadian Place	2010	237	1.4%	
Fraser Milner Casgrain	Fifth Avenue and First Canadian Place	2010	222	1.3%	
The Hudson's Bay Company	Hudson's Bay Centre	2009	209	1.3%	
CI Investments Inc.	151 Yonge Street and 2 Queen Street East	2012	195	1.2%	
Toronto Stock Exchange	Exchange Tower	2018	179	1.1%	
Ministry of the Environment	2-24 St. Clair Street West and 40 St. Clair Street West	2013	179	1.1%	
Gowlings Canada Inc.	First Canadian Place	2020	170	1.0%	
Davies Ward Philips Vineberg	First Canadian Place	2013	119	0.7%	
Precision Drilling Corp.	Petro-Canada Centre	2011	93	0.6%	
Other Government Agencies	Various	Various	170	1.0%	
Total			11,581	69.7%	

(1) Weighted average based on square feet.

(2) Prior to considering partnership interests in partially owned properties and excludes parking.

(3) From Standard and Poor's, Moody's or DBRS.



Leasing Activity

During the quarter ended March 31, 2007 BPO Properties has leased 666,000 square feet of space, approximately two times the amount contractually expiring. In addition we have pre-leased 22,000 square feet of space in our Bankers Court development.

	Dec. 31, 2006			2007 Activity							Mar. 31, 2007			
	GLA ⁽¹⁾ (000's Sq. Ft.)	Leased (000's Sq. Ft.)	Avg In-Place Net Rent (\$ per Sq.Ft.)	Expiries (000's Sq. Ft.)	Accelerated Expiries (000's Sq. Ft.)	Expiring Net Rent (\$ per Sq.Ft.)	Leasing (000's Sq. Ft.)	Year One ^(2,4) Leasing Net Rent (\$ per Sq.Ft.)	Average ^(3,4) Leasing Net Rent (\$ per Sq.Ft.)	Acq./ (Disp.)/ Adjustments	GLA ⁽¹⁾ (000's Sq. Ft.)	Leased (000's Sq. Ft.)	Avg. In-Place Net Rent (\$ per Sq.Ft.)	Avg. Mkt. Net Rent (\$ per Sq.Ft.)
Toronto, Ontario	8,994	8,584	\$21	(164)	(124)	\$19	346	\$21	\$21	(1,241)	7,753	7,552	\$22	\$27
Ottawa, Ontario	2,939	2,924	12	(1)		9				(159)	2,780	2,763	17	17
Calgary, Alberta	7,845	7,830	21	(62)	(205)	26	274	38	38		7,845	7,837	22	35
Edmonton, Alberta	710	701	9	(6)		12	2	22	22		710	697	10	18
Vancouver, B.C.	853	826	14	(20)	(11)	20	39	24	26		853	834	15	25
Other	212	189	8	(29)		12	5	9	9		212	165	8	9
Total	21,553	21,054	\$19	(282)	(340)	\$21	666	\$28	\$28	(1,400)	20,153	19,848	\$21	\$28
Development Pre Leasing							22							
Total Leasing							688							

(1) Excludes developments.

(2) Represent net rent in the first year

(3) Represents average net rent over lease term

(4) Rates exclude non-core properties sold during first quarter of 2007



Leasing Profile

BPO Properties' portfolio has a weighted average lease life of seven years. The expiry profile of the company's portfolio, excluding development properties, is as follows:

(000's Sq.Ft.)	Currently Available	Remainder 2007	2008	2009	2010	2011	2012	2013	2014 & Beyond	Subtotal	Parking	Total
Toronto, Ontario	201	201	381	659	586	377	743	1,152	2,505	6,805	948	7,753
Ottawa, Ontario	17	140	52	34	2	—	4	952	549	1,750	1,030	2,780
Calgary, Alberta	8	46	210	295	915	1,653	500	1,303	1,871	6,801	1,044	7,845
Edmonton, Alberta	13	22	33	40	98	75	27	5	276	589	121	710
Vancouver, B.C.	19	18	9	26	52	52	57	79	277	589	264	853
Other	47	42	1	4	5	5	—	1	47	152	60	212
Total	305	469	686	1,058	1,658	2,162	1,331	3,492	5,525	16,686	3,467	20,153
Percentage of Total	1.8%	2.8%	4.1%	6.3%	9.9%	12.9%	8.0%	20.9%	33.3%	100.0%	—	100.0%



Lease Expiry Analysis

An analysis of BPO Properties' expiring net rents at March 31, 2007 is as follows:

Year of Expiry	Total Portfolio			Toronto, Ontario			Ottawa, Ontario			Calgary, Alberta		
	(000's) Sq.Ft.	%	Net Rate per \$ Sq.Ft.	(000's) Sq.Ft.	%	Net Rate per \$ Sq.Ft.	(000's) Sq.Ft.	%	Net Rate per \$ Sq.Ft.	(000's) Sq.Ft.	%	Net Rate per \$ Sq.Ft.
Currently available	305	1.8%		201	2.9%		17	1.0%		8	0.1%	
Remainder 2007	469	2.8%	\$19	201	3.0%	\$22	140	8.0%	\$15	46	0.7%	\$23
2008	686	4.1%	21	381	5.6%	22	52	3.0%	14	210	3.1%	23
2009	1,058	6.3%	19	659	9.7%	17	34	1.9%	15	295	4.3%	23
2010	1,658	9.9%	23	586	8.6%	24	2	0.1%	30	915	13.5%	25
2011	2,162	13.0%	21	377	5.5%	25	—	0.0%	—	1,653	24.3%	21
2012	1,331	8.0%	26	743	10.9%	24	4	0.2%	35	500	7.4%	29
2013	3,492	20.9%	24	1,152	16.9%	28	952	54.4%	19	1,303	19.2%	24
2014 & beyond	5,525	33.2%	21	2,505	36.9%	21	549	31.4%	15	1,871	27.4%	24
Parking	3,467	—	—	948	—	—	1,030	—	—	1,044	—	—
Total	20,153	100.0%	\$22	7,753	100.0%	\$23	2,780	100.0%	\$17	7,845	100.0%	\$24
Weighted average market net rents			\$28			\$27			\$17			\$35

	Edmonton, Alberta			Vancouver, B.C.			Other		
	(000's) Sq.Ft.	%	Net Rate per \$ Sq.Ft.	(000's) Sq.Ft.	%	Net Rate per \$ Sq.Ft.	(000's) Sq.Ft.	%	Net Rate per \$ Sq.Ft.
Currently available	13	2.2%		19	3.3%		47	30.8%	
Remainder 2007	22	3.7%	\$14	18	3.1%	\$22	42	27.6%	\$9
2008	33	5.6%	10	9	1.5%	22	1	0.7%	32
2009	40	6.8%	9	26	4.4%	19	4	2.6%	6
2010	98	16.6%	10	52	8.8%	18	5	3.3%	9
2011	75	12.7%	11	52	8.8%	22	5	3.3%	9
2012	27	4.6%	8	57	9.7%	22	—	0.0%	—
2013	5	0.8%	15	79	13.4%	21	1	0.7%	32
2014 & beyond	276	47.0%	13	277	47.0%	13	47	31.0%	10
Parking	121	—	—	264	—	—	60	—	—
Total	710	100.0%	\$11	853	100.0%	\$17	212	100.0%	\$10
Weighted average market net rents			\$18			\$25			\$9



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Commercial Development Lands and Rights

The details of commercial developments are as follows:

City, Province	Number of Sites	Number of Buildings	Location	Ownership %	Total Sq. Ft.	BPO's Sq. Ft.
Toronto, Ontario						
Bay Adelaide Centre	1	3	Bay and Adelaide streets	100%	2,600,000	2,600,000
BCE Place III	1	1	Third tower of current BCE project	65%	800,000	520,000
Ottawa, Ontario						
Place de Ville III	1	1	Third phase of current Place de Ville project	25%	500,000	125,000
Calgary, Alberta						
Herald Block	1	1	1st Street and 7th Avenue	100%	1,100,000	1,100,000
Bankers Court	1	2	Parkade adjacent to Bankers Hall	50%	500,000	250,000
Total	5	8			5,500,000	4,595,000



Commercial Developments - Detail

The book value of commercial development properties as at March 31, 2007 are as follows:

(Millions, except square feet)	Buildable Square Feet	Square Feet Currently Under Construction	Mar.31 2007	Dec.31 2006
Active Developments				
Bay Adelaide Centre	2,600,000	1,100,000	\$ 269.6	\$ 254.1
Bankers Court	500,000	265,000	11.2	8.7
Planning				
Herald Block	1,100,000		46.0	45.2
Other:				
Place de Ville III	500,000			
BCE Place III	800,000			
	<u>1,300,000</u>		3.5	4.8
Total	5,500,000	1,365,000	\$ 330.3	\$ 312.8



Tenant Installation Costs and Capital Expenditures

A detailed analysis of commercial property tenant installation costs, development and redevelopment investments, and capital expenditures is as follows:

(Millions)	Three months ended March 31	
	2007	2006
Commercial property tenant installation costs		
Leasing commissions	\$ 1.2	\$ 0.7
Tenant improvements	2.1	1.0
	\$ 3.3	\$ 1.7
Development and redevelopment		
Construction costs	\$ 9.2	\$ 0.4
Interest Capitalized	5.5	2.2
Property taxes and other	2.8	1.7
	\$ 17.5	\$ 4.3
Capital expenditures		
Revenue enhancing capital expenditures	\$ 1.0	\$ 0.3
Non-revenue enhancing capital expenditures	0.4	0.3
	\$ 1.4	\$ 0.6



Intangible Assets

The components of the company's intangible assets are as follows:

(Millions)	Mar. 31, 2007	Dec. 31, 2006
Intangible assets		
Lease origination costs	\$ 68.3	\$ 68.5
Tenant relationships	9.1	9.1
Above-market in-place operating leases	3.3	3.3
	80.7	80.9
Less accumulated amortization		
Lease origination costs	(20.7)	(17.6)
Tenant relationships	(0.9)	(0.8)
Above-market in-place operating leases	(0.9)	(0.8)
Total	\$ 58.2	\$ 61.7



Tenant Receivables and Other Assets

The components of the company's tenant receivables and other assets are as follows:

(Millions)	Mar. 31, 2007	Dec. 31, 2006
Tenant and other receivables	\$ 41.4	\$ 36.2
Prepaid expenses and other assets	19.5	20.8
Restricted cash	1.4	1.4
Total	\$ 62.3	\$ 58.4



Commercial Property Debt Analysis

All of the commercial property debt is recourse only to specific properties and has an average life of five years. The repayment schedule at March 31, 2007 is as follows:

(Millions) Year	Scheduled Amortization	Maturities	Total	Weighted Average Interest Rate
Remainder of 2007	\$ 15.5	\$ 114.4	\$ 129.9	5.6%
2008	17.7	238.2	255.9	6.0%
2009	15.9	65.1	81.0	8.0%
2010	11.6	—	11.6	6.1%
2011	9.5	122.9	132.4	7.0%
2012 and thereafter	11.0	254.6	265.6	7.1%
Total commercial property debt	\$ 81.2	\$ 795.2	\$ 876.4	6.8%
Deferred financing costs ⁽¹⁾			\$ (3.3)	
Total			\$ 873.1	

(1) Reclassified from other assets as a result of changes in accounting policy



Commercial Property Debt

At March 31, 2007, commercial property mortgages, in order of maturity, are as follows:

Commercial Property	Location	Interest Rate %	Maturity Date	BPO's Share (Millions)	Mortgage Details
O&Y Acquisition Facility	Various	5.52%	2007	\$ 84.3	Non-recourse - variable rate
105 Adelaide	Toronto	5.77%	2007	23.7	Non-recourse - fixed rate
Queen's Quay Terminal	Toronto	6.50%	2007	6.9	Non-recourse - fixed rate
Petro-Canada Centre	Calgary	6.43%	2008	126.5	Non-recourse - fixed rate
Bay Adelaide VTB	Toronto	—	2008	11.7	—
22 Front St	Toronto	11.88%	2008	6.6	Non-recourse - fixed rate
Hudson's Bay Centre	Toronto	5.84%	2008	100.0	Non-recourse - variable rate
First Canadian Place	Toronto	8.06%	2009	63.8	Non-recourse - fixed rate
Place de Ville I	Ottawa	7.81%	2009	6.8	Non-recourse - fixed rate
Enbridge Tower	Edmonton	6.72%	2009	2.5	Non-recourse - fixed rate
Fifth Avenue Place	Calgary	7.59%	2011	74.7	Non-recourse - fixed rate
Queen's Quay Terminal	Toronto	7.26%	2011	35.7	Non-recourse - fixed rate
Gulf Canada Square	Calgary	5.47%	2011	30.4	Non-recourse - fixed rate
Exchange Tower	Toronto	6.83%	2012	64.3	Non-recourse - fixed rate
HSBC Building	Toronto	8.19%	2012	23.9	Non-recourse - fixed rate
151 Yonge Street	Toronto	6.01%	2012	11.6	Non-recourse - fixed rate
Bankers Hall	Calgary	7.20%	2013	165.0	Non-recourse - fixed rate
Bankers Hall	Calgary	6.69%	2013	11.9	Non-recourse - fixed rate
Jean Edmonds Tower	Ottawa	5.55%	2014	1.8	Non-recourse - fixed rate
Jean Edmonds Tower	Ottawa	6.79%	2024	15.6	Non-recourse - fixed rate
Premium on assumed mortgages		—	—	8.7	—
Continuing operations		6.76%		\$ 876.4	
Discontinued operations ⁽¹⁾		6.08%	2010	4.6	Non-recourse - fixed rate
Total commercial property debt		6.76%		\$ 881.0	
Deferred financing costs ⁽²⁾				(3.3)	
Total				\$ 877.7	

⁽¹⁾ Represents commercial property debt at 18 King St. in Toronto which has been classified as discontinued operations

⁽²⁾ Reclassified from other assets as a result of changes in accounting policy



Intangible Liabilities

The components of the company's intangible liabilities are as follows:

(Millions)	Mar. 31, 2007	Dec. 31, 2006
Intangible liabilities		
Below-market in-place operating leases	\$ 74.9	\$ 74.5
Above-market ground leases	45.8	45.8
	120.7	120.3
Less accumulated amortization		
Below-market in-place operating leases	(16.2)	(13.0)
Above-market ground leases	(3.6)	(3.0)
Total	\$ 100.9	\$ 104.3



Accounts Payable and Other Liabilities

A breakdown of accounts payable and other liabilities is as follows:

(Millions)	Mar. 31, 2007	Dec. 31, 2006
Accounts payable and accrued liabilities	\$ 69.1	\$ 64.3
Accrued interest	7.9	5.1
Total	\$ 77.0	\$ 69.4



Preferred Shares

The company has the following preferred shares authorized and outstanding:

(Millions, except share information)	Shares Outstanding	Cumulative Dividend Rate	Mar. 31, 2007	Dec. 31, 2006
Series G	1,805,489	70% of bank prime	\$ 45.1	\$ 45.1
Series J	3,816,527	70% of bank prime	95.4	95.4
Series K	300	30-day BA + 0.4%	150.0	150.0
Series M	2,847,711	70% of bank prime	71.2	71.2
Series N	800,000	30-day BA + 0.4%	20.0	20.0
TOTAL			\$ 381.7	\$ 381.7

Forward-Looking Statements

The supplemental financial information contains forward-looking statements and information within the meaning of applicable securities legislation. Although BPO Properties believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements and information include general economic conditions; local real estate conditions, including the development of properties in close proximity to the company's properties; timely leasing of newly-developed properties and re-leasing of occupied square footage upon expiration; dependence on tenants' financial condition; the uncertainties of real estate development and acquisition activity; the ability to effectively integrate acquisitions; interest rates; availability of equity and debt financing; the impact of newly-adopted accounting principles on the company's accounting policies and on period-to-period comparisons of financial results; and other risks and factors described from time to time in the documents filed by the company with the securities regulators in Canada including in the Annual Information Form under the heading "Business of BPO Properties – Company and Real Estate Industry Risks." The company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.