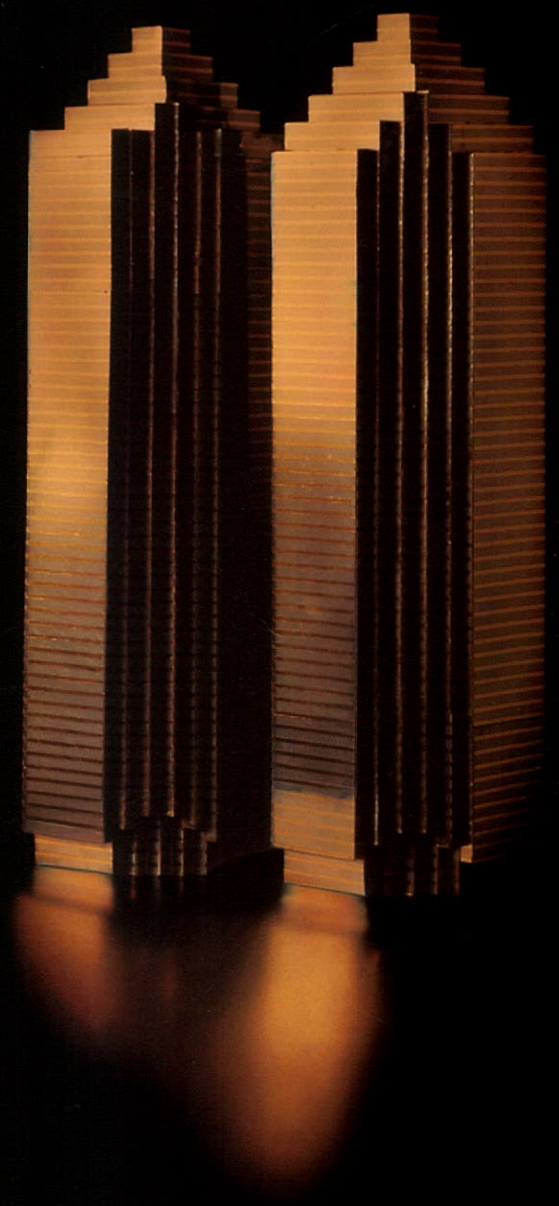
NINETEEN EIGHTY-TWO



BRAMALEA LIMITED · ANNUAL REPORT

Bramalea Limited

Bramalea Limited is a large North American company with a diversified portfolio of real estate properties and oil and gas investments.

The Company owns a $1.2 billion (book value) real estate portfolio which includes office buildings, shopping centres, industrial parks, hotels and residential apartment buildings. As well, Bramalea has extensive land holdings in Canada and the United States, for future commercial, industrial and residential development.

While the development and management of a diversified property portfolio is a major focus of corporate activities, Bramalea is also a major home builder and community developer in North America, with current projects located in Ontario; California and Florida.

The Company also has a substantial ownership interest in Coseka Resources Limited, a publicly-traded oil and gas exploration and production company. Bramalea's oil and gas investments in Canada and the United States total approximately $500 million.

Bramalea Limited is a Canadian-owned company and its shares are traded on The Toronto Stock Exchange.

The cover of this Annual Report features a photographic interpretation of Dallas Main Center, a $1 billion commercial development in Dallas, Texas. The twin towers will be the tallest buildings in Dallas. Laser beams create a 920-foot high "sky drawing" of the 70-storey InterFirst Plaza at the launch extravaganza on March 17, 1983. The traffic-stopping event involved 28 lasers—one for each corner of the building—with a backdrop of fireworks. The project—one of the largest and most promising developments in North America—will also include a major hotel and retail facilities.

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Financial Highlights

	1983	1982
Total Revenue	$ 333,732,000	235,828,000
Earnings for the year	7,644,000	12,681,000
per share	.44	.73
Cash Flow for the year	24,704,000	28,049,000
per share	1.41	1.61
Total Assets	1,717,516,000	1,157,480,000
Shareholders' Equity	66,808,000	56,729,000
Number of shares issued	18,201,080	17,552,580
Number of shareholders	2,075	2,025

The glass encased lobby of Esso Place at 55 St. Clair West, Toronto, is an impressive atrium with gentle landscaping softening the rich marble interior.

To Our Shareholders

Bramalea Limited

In 1982, the North American economy experienced its worst slump since the Depression, with the Canadian gross national product shrinking by nearly five percent and the U.S. economy growing only marginally. In spite of the economic malaise, and the direct impact of last year's extremely high interest rates, Bramalea was able to produce satisfactory earnings.

In general the real estate industry in the past year was severely affected by the pervasive economic deterioration. Industrial, commercial and retail tenants cancelled expansion plans, drastically reducing space demands, while business bankruptcies created a surge in vacancy rates in many markets. Economic uncertainty encouraged consumers to delay new home purchases, which collapsed the housing market, though government incentives to Ontario home-buyers promoted a renewal of activity late in the year.

Industrial decline and consumer conservation measures also reduced oil and gas consumption, which in turn moderated the performance of our oil and gas investments.

1982 Performance

Net earnings for 1982 (the fiscal year ended January 31, 1983) were $7,644,000, or 44 cents per share, compared with $12,681,000, or 73 cents a share, for the 1981 fiscal year. Total revenues for the year were $333,732,000. During the last five months of the year, the results of Coseka Resources Limited, a company in which Bramalea now has a substantial ownership interest, were consolidated with those of Bramalea Limited.

Our portfolio of income producing properties contributed significantly to the company's cash flow, which totalled $24,704,000, or $1.41 per share, in 1982.

By the 1982 year-end, Bramalea Limited owned and managed assets exceeding $1.7 billion at book value. The portfolio consisted of a $1.2 billion investment in real estate assets and $500 million in oil and gas assets.

1982 Highlights

Despite North American economic difficulties, 1982 marked several successes for our Company, which are reviewed in detail later in this Annual Report.

The most significant accomplishment was the start of construction on the first office tower of the $1 billion office/hotel/retail development known as Dallas Main Center, in downtown Dallas, Texas. This five city-block project is a joint venture with The Prudential Insurance Company of America. The first 70-storey building will be known as the InterFirst Plaza. The InterFirst Bank of Dallas has committed to lease a substantial amount of space in the building and will also be a minority equity partner. Financing for this magnificent building has been arranged with a consortium of financial institutions.

Among other notable office developments last year, new buildings were completed in downtown Toronto, Ontario; Oakland, California; and Denver, Colorado.

On the shopping centre front, we opened Canada's first Outlet Centre in Brampton, Ontario, enabling shoppers to buy directly from manufacturers at less than usual retail prices. We also completed the renovation of two U.S. shopping centres, which will further enhance future income and profits.

In the Ontario housing market, we were a leading participant in government programs designed to stimulate the construction of rental apartments. We have committed to providing a record 2,500 rental units in the Toronto area over a three-year period.

In 1982 we also closed the sale of 453 housing units, with much of this activity in the fourth quarter as Ontario homebuyers took advantage of reduced housing prices, generous government incentives, and lower mortgage rates. In Toronto our marketing program for the sale of luxury condominiums in the impressive Renaissance development was also launched. The two-building project also offers outstanding retail and office space.

Finally, we increased our effective ownership of Coseka Resources Limited to more than 50 percent, underscoring the importance we attach to this energy sector investment.

Corporate Philosophy

Early in 1982, Bramalea developed and adopted a short-term strategy of retrenchment in response to the then current economic outlook. Operating costs were reduced, several projects were delayed in step with market realities, and houses were built only on the basis of firm buyer commitments. However, our longer-term strategy of developing and managing high-quality income-producing properties remains firmly intact. This strategy stresses portfolio diversification through well-financed commercial, residential and industrial assets in selected prime North American markets.

Our intention is to concentrate on new developments in several specific markets. These include *office* projects in Dallas, the Metropolitan Toronto region, Denver, Los Angeles and Oakland in the San Francisco Bay area. *Industrial* development will primarily stress the Bramalea Industrial Park, in Brampton, Ontario, and our lands in Pickering, Ontario. Our current *residential* priorities are community developments in Boca Raton, Florida, and the Los Angeles area; apartment and condominium projects in New York City; and single-family housing, condominiums, and rental buildings in several communities in the Metropolitan Toronto region.

Our goal for the large *shopping centre* component of our portfolio is to continue to upgrade existing properties, identify locations for new centres, remodel older malls, and develop selected properties for sale to private investors.

In the *oil and gas* sector, our policy is to be an active participant in the exploration, acquisition and production of oil and gas reserves.

Vice-Chairman Benjamin Swirsky, Chairman J. Richard Shiff, Q.C., and President Kenneth E. Field stand in the foreground of Bramalea's recently completed 16-storey office building at 121 Bloor Street East, Toronto.

In Canada, the National Energy Program assures favorable participation as Canadian owners. Our western Canadian investments are balanced by the ownership of attractive properties in the United States. We believe the North American energy sector will offer substantial long-term growth potential.

Outlook

There were ample signs by the beginning of 1983 that the North American economy was emerging from recession, though the strength and magnitude of recovery remained uncertain.

A troublesome economic factor for both real estate and oil and gas during the past two years was the extremely high level of interest rates. The return of borrowing rates to more acceptable levels will greatly enhance our financial performance. The longer-term mortgage market has now returned and we are converting existing floating rate debt on several of our real estate assets to long-term mortgages at fixed rates for fixed terms.

Overall, Bramalea Limited is planning on a cautious and tightly managed return to past levels of performance. A prudent approach will ensure that the financing and construction of new projects accurately reflect market conditions. We look forward to 1983 with cautious optimism.

On behalf of the Directors, we express gratitude to our employees for their enthusiasm and dedication in sustaining the Company's profitable success under the most adverse economic conditions.

Sincerely,

J. R. Shiff

J. Richard Shiff, Q.C.
Chairman and Chief Executive Officer

Kenneth Field

Kenneth E. Field
President

Benjamin Swirsky

Benjamin Swirsky
Vice-Chairman

April 29, 1983

Office Buildings

Bramalea Limited manages an income-producing portfolio of 15 office buildings in Canada and the United States, containing more than 3.2 million square feet of leasable space. Projects under construction, or in the advanced planning stage, will add 3 million square feet of new space in the next few years.

The most important project currently under-way is the $1 billion Dallas Main Center in Dallas, Texas. This is not only the single largest project we have undertaken, but will rank among the small elite of exceptional world-class commercial developments.

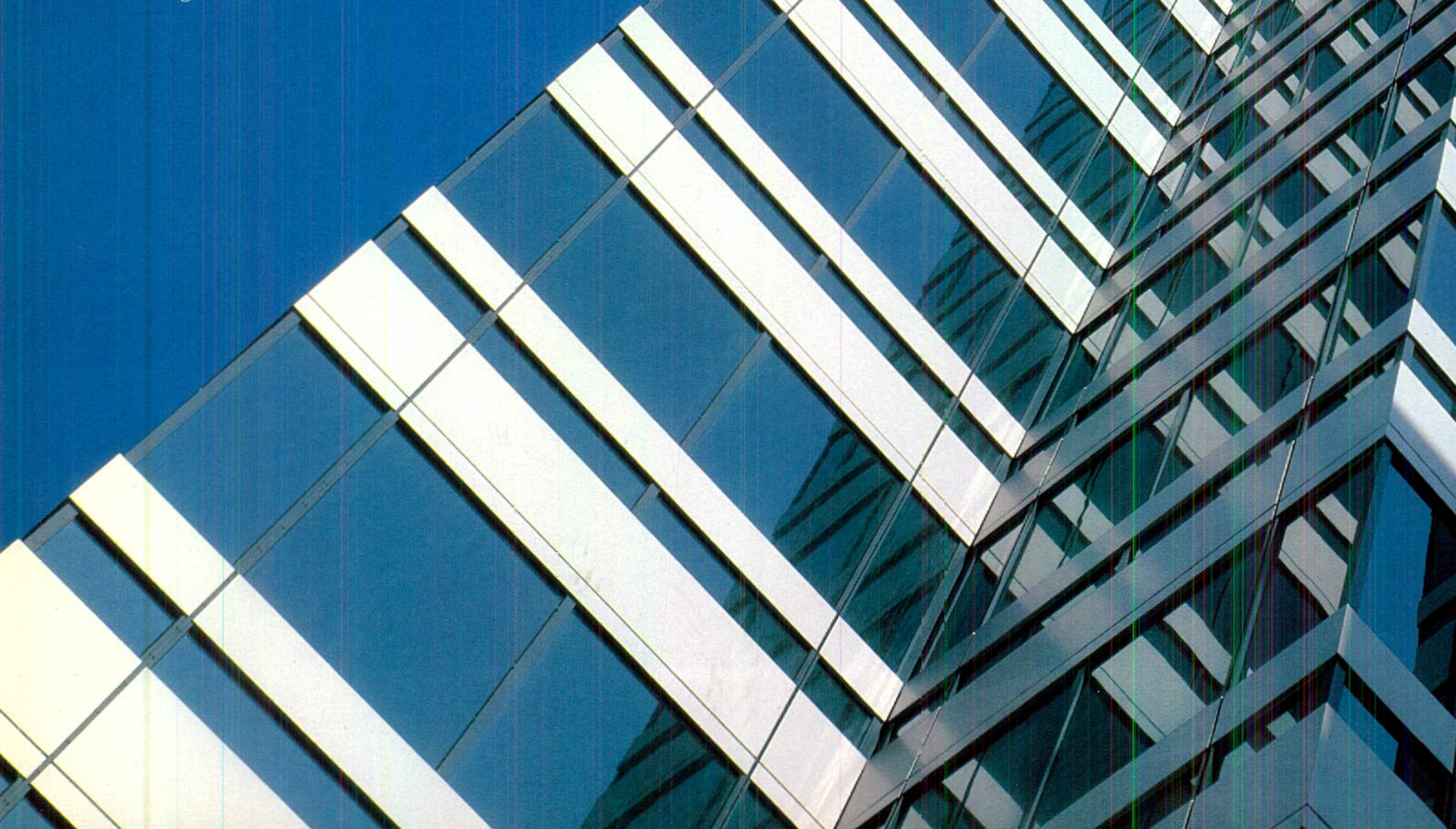
Dallas Main Center was conceived by Bramalea Limited two years ago, with the successful purchase of five blocks of prime land in downtown Dallas. The Center, which will take several years to complete, will be the most prominent commercial focal point in Dallas, consisting of two 70-storey office towers (the tenth tallest in the world), a major hotel, various retail areas, and a 3,000-car parking facility.

The project is a joint partnership with PIC Realty, a subsidiary of The Prudential Insurance Company of America. Financing has been provided for the $300 million first phase development by a consortium of American and Canadian financial banking institutions.

Bramalea Limited is the managing partner. In view of the world-scale nature of the project, a 17-member "Bramalea Texas" office has been established in Dallas to handle all facets of the development, from construction management to space leasing.

The first phase of the project involves one office tower, offering 1.8 million square feet of leasable area, and a 14-storey parking facility for 1,450 cars. Site work for the first phase began in December, 1982 and foundation work was underway in March, 1983.

For the first time in North America, the foundation work employs a new approach, which results in substantial cost and time savings.



Burnished aluminum cladding gives a contemporary landmark appearance to 121 Bloor Street East, Toronto.

Traditionally, a site is excavated and retaining walls are then installed, followed by the construction of the building footings. In the case of Dallas Main Center, Bramalea has used specialized excavation equipment to dig a 30-foot trench around the site prior to full excavation. A permanent basement wall of precast concrete panels was then installed, and the trench filled with special grout. The prefabricated concrete panels serve initially as a retaining wall. Once the site is fully excavated, the panels become permanent concrete walls for the concourse and basement floors. This unusual approach enables the foundation to be completed two months sooner than by conventional methods.

The office tower will be a striking architectural design, incorporating the finest state-of-the-art building concepts, materials and energy management systems. Among its many pioneering features, the building will have 28 corners per floor, permitting unsurpassed flexibility in creating imaginative and distinctive office layouts.

InterFirst Bank of Dallas, N.A., is the major tenant, as well as a minority equity partner, in the first tower. InterFirst will occupy its initial space at the end of 1984, with the remaining space available for occupancy in the summer of 1985.

Future office and retail phases of Dallas Main Center will proceed in response to market conditions.

Other office projects in 1982 included:

- Renaissance Plaza and Renaissance Court at Bloor Street West and Avenue Road, Toronto. These landmark buildings (which also contain impressive retail and residential components) are a joint venture project. The seven-storey Renaissance Court, with two office floors, and the 25-storey Renaissance Plaza, with ten office floors, were being completed at year-end, with an active and successful leasing program now underway.
- Our highly energy efficient building at 121 Bloor Street East in Toronto. Construction of this building, ideally located to the east of the Yonge/Bloor intersection, was also being completed at year-end. A leasing program has been initiated and a substantial portion of the building has been leased.
- Ptarmigan Place, a 415,000 square-foot octagonal building in Denver, Colorado. The building, which is aesthetically outstanding, is being well received. However, leasing has progressed slower than anticipated due to uncertainties in the local economy. We project more than 50 percent of the building will be occupied by the end of the current year.
- The Culver City Corporate Pointe commercial park, located near Los Angeles International Airport. After year-end, Bramalea entered into an agreement to acquire full ownership of this 30-acre commercial project. Immediate plans call for the construction of three office buildings containing 300,000 square feet. Ultimately, the project will contain 1.6 million square feet of office space in nine buildings.
- The Oakland City Centre Complex in Oakland, California. The City's master plan contemplates a convention centre, hotel, office buildings and retail outlets. Bramalea is the designated developer of the city centre and has an 80 percent interest in two office buildings and development rights for further buildings that will provide commercial space to serve the San Francisco Bay area. Our existing properties are the Clorox Building, acquired in 1978, and a 12-storey, 172,200 square-foot building, which was completed and leased during 1982.
- The San Diego Commercenter, California. This is a new project, consisting of three low-rise and connected office buildings, totalling 121,000 square feet. All buildings are currently under construction, fully leased and scheduled for completion in 1983.

Bramalea has several other office projects in the planning stage, including two buildings for a prime downtown site in Denver and two buildings in Metropolitan Toronto. These projects will proceed when markets indicate a significant rental activity.

The historic Church of the Redeemer is comfortably nestled in the forecourt of the ultra modern Renaissance Plaza. The project is located at Avenue Road and Bloor Street West in Toronto.

Bramalea's Outlet Centre in Brampton, Ontario, has become a popular attraction, drawing bargain-seeking shoppers from throughout the Toronto region.

Shopping Centres

Bramalea Limited is a major North American shopping centre developer, owner and manager, with interests in 22 Canadian and 19 American shopping facilities. By the 1982 year-end, the portfolio of centres under management exceeded 9 million square feet of leasable retail area, serving 1,800 tenants.

The depressed 1982 economy eroded consumer spending, causing serious difficulties for many retailers. However, vacancy rates at year end were below the level for the previous year.

Revenues were significantly higher than the previous year, due to the expansion of existing centres and the introduction of new facilities. Declines in western Canada were more than offset by gains in eastern Canada, particularly at the expanded Bramalea City Centre in Brampton, Ontario. A growing income source is our "merchandising service program", which involves the creative use of mall space to generate revenue by, for example, renting "dead end" corridors as tenant storage areas, setting up attractive merchant sales kiosks in common areas, organizing flea markets and other successful sales promotions.

The shopping centre division not only preserved its profitability in the face of weak consumer spending, but also enlarged its presence in the marketplace.

A noteworthy development in 1982 was the opening of the Outlet Centre in Brampton, Ontario. The first of its kind in Canada, the Outlet Centre has proved to be a very successful shopper attraction. Consumers throughout the Toronto region are being drawn by the substantial savings offered on quality products. Approximately 50 manufacturers and jobbers have rented wholesale outlets, grouped in an enclosed mall.

Further factory outlet malls are being considered, with the immediate priority being given to a location on the eastern outskirts of Metropolitan Toronto.

During the past five years, our shopping centre portfolio has undergone dramatic expansion through a deliberate acquisition and development program. In most cases, properties have been identified for our continued investment and management. In other cases, properties have been developed for ultimate ownership by other investors, with Bramalea providing on-going management.

In 1980, we perceived a special demand for "middle market" shopping centres to serve large trading areas in the southwest and central United States. Our strategy called for development of selected centres for ultimate sale to equity investors as tax shelters or private investment syndications. In the past two years, 15 centres were constructed under this program. The program, which is on schedule, will result in the sale of some of these centres in 1983.

In 1982, the ownership and management of two regional shopping centres in Burnaby, British Columbia, were restructured. We purchased full control and management of the Brentwood Mall, while our former joint venture partner assumed full ownership of the Lougheed Mall.

We continue to expand selected shopping centres—as occurred at the Brandon Mall in Manitoba during 1982—and rejuvenate the market position of malls that have lost touch with consumer trends.

Further progress was made last year with our innovative "mall rehabilitation" program. Since the program was initiated two years ago, two malls—in Philadelphia and Harrisburg, Pennsylvania—have been renovated and re-leased to create an attractive and more competitive merchandising mix for consumers. The centres are performing well, and are generating increased revenues from an enlarged share of local consumer spending. The successful rehabilitation formula is being applied to a third mall in Baltimore, Maryland, which will be completed later in 1983.

Hotels

Bramalea Limited owns three hotels—the Four Seasons, Toronto; the Hyatt Regency, Vancouver; and the Holiday Inn, Brampton. Each hotel is dominant in its market because of the property's quality and the excellence of management provided by outstanding hotel management companies.

The Vancouver market was particularly affected by business and tourist spending cutbacks, with British Columbia's basic resource industries facing a sharp decline. As a consequence, our Hyatt Regency Hotel experienced much reduced revenues and profits. In a period of reduced occupancy levels, we completed an extensive renovation program of the 656 guest rooms, as well as the lobby areas. These improvements have strengthened the Hyatt Regency's position as one of the most elegant hotels on the Pacific Coast.

Due to our lease arrangement, the recession did not seriously affect the performance of our Four Seasons Hotel in Toronto. This 483-room facility is a world-class hotel with an international reputation for superb hospitality and award-winning cuisine.

In Brampton, our 150-room resort-style Holiday Inn completed its second year of operations, achieving good results with high room occupancy levels and increased use of convention and meeting facilities. We are very pleased that the Holiday Inn has been well accepted by the local community.

The glass-sided "holidome" of Bramalea's Holiday Inn, Brampton, gives this community hotel a distinctive resort-style atmosphere that appeals to business travellers as well as local residents.

Industrial Development

Bramalea Limited owns and manages two industrial parks in the Metropolitan Toronto region. At the 1982 year-end, our industrial portfolio consisted of approximately 3.2 million square feet of leasable area in 33 modern buildings.

The economic recession virtually halted industrial expansion in 1982. However, towards the close of the year, some signs of renewed leasing interest, and demand for land purchases, became evident.

Our 3,000-acre Bramalea Industrial Park, in the City of Brampton, has attracted some of the world's best known manufacturing, transportation and high technology industries. It provides immediate access to the Metropolitan Toronto market, and is ideally located to service the North American market. More than 120 million Canadian and American consumers can be reached in a single day's delivery along excellent highway systems. The park's direct railway access and proximity to the Toronto International Airport substantially enhance its reputation as one of the most conveniently located landscaped industrial parks in North America. About half the park's acreage is occupied, with the remainder scheduled for development in future years.

Recent activity at the Bramalea Industrial Park included: the leasing of approximately 110,000 square feet of space to two major tenants; the completion of a 63,500 square-foot addition for an existing tenant; the sale of an 87,250 square-foot building on a four-acre site; and the preparation for sale of an 80,500 square-foot industrial facility on an eight-acre site. At year-end, 126,000 square feet of warehousing space was available for lease in two buildings and 330 acres were fully serviced and ready for construction or sale.

Our Company owns 120 acres of strategically located industrial land on the eastern edge of Metropolitan Toronto in the Township of Pickering.

During 1982, the recession stalled new activity on our Pickering industrial lands. The three parks comprising this development are well situated along Highway 401, connect to CN rail, and share the regional market location advantages of our Bramalea Industrial Park.

Our industrial lands can be quickly activated to meet any surge in demand for industrial space when the economy revives and industry plans appear once again. We have completed designs for two buildings in the Bramalea Industrial Park and two buildings in the Pickering Industrial Park that can provide 350,000 square feet of new space on short notice.

Other industrial activities during the year included the sale of a 58,000 square-foot facility on a 3.5 acre site in Toronto, three buildings in the Carson Industrial Park, near Los Angeles, and a further building in the Rancho Bernardo Business Park, in California's San Diego area.

We have now concluded our successful involvement in the Rancho Bernardo Business Park in California, and in our Carson industrial project, near Los Angeles, where we have one further lot for sale or development.

The Kinney Shoes of Canada Limited building is one of the latest additions to the highly successful Bramalea Industrial Park in Brampton, Ontario.

Housing

Bramalea Limited is a major North American supplier of ownership and rental housing. The Company has several communities and residential projects under development in the Metropolitan Toronto region, as well as in California and Florida.

Residential market demand was inhibited in 1982 by high mortgage rates and general economic uncertainty, prompting a leveling or, in some cases, a decline in housing prices. Our Company responded to these realities by building on a selective basis, principally affordable housing and luxury accommodation at both extremes of the buying spectrum. Late in 1982, federal and provincial government financial incentives to Ontario homebuyers produced a market resurgence.

In Canada, our single-family housing programs have focussed on three communities surrounding Metro Toronto—the Bramalea community in Brampton; Unionville Estates in the Town of Markham; and Amberlea in the Township of Pickering. During 1982, we closed the sale of 441 family homes in these communities. At year-end, a further 520 pre-sold homes were under construction in these communities for 1983 closing. Many of these sales were to first-time buyers at the lower end of the price range, where Bramalea has been especially innovative in supplying well-designed, comfortable family homes at unusually competitive prices.

In the luxury condominium market, we are the joint developer of the spectacular Renaissance project at Avenue Road and Bloor Street West in Toronto. The two multi-use buildings in this development contain 163 elegant condominium homes. Construction is now in the final stages of completion. Despite an extremely difficult economy, our marketing program which was initiated in late 1982, is producing results beyond our expectations.

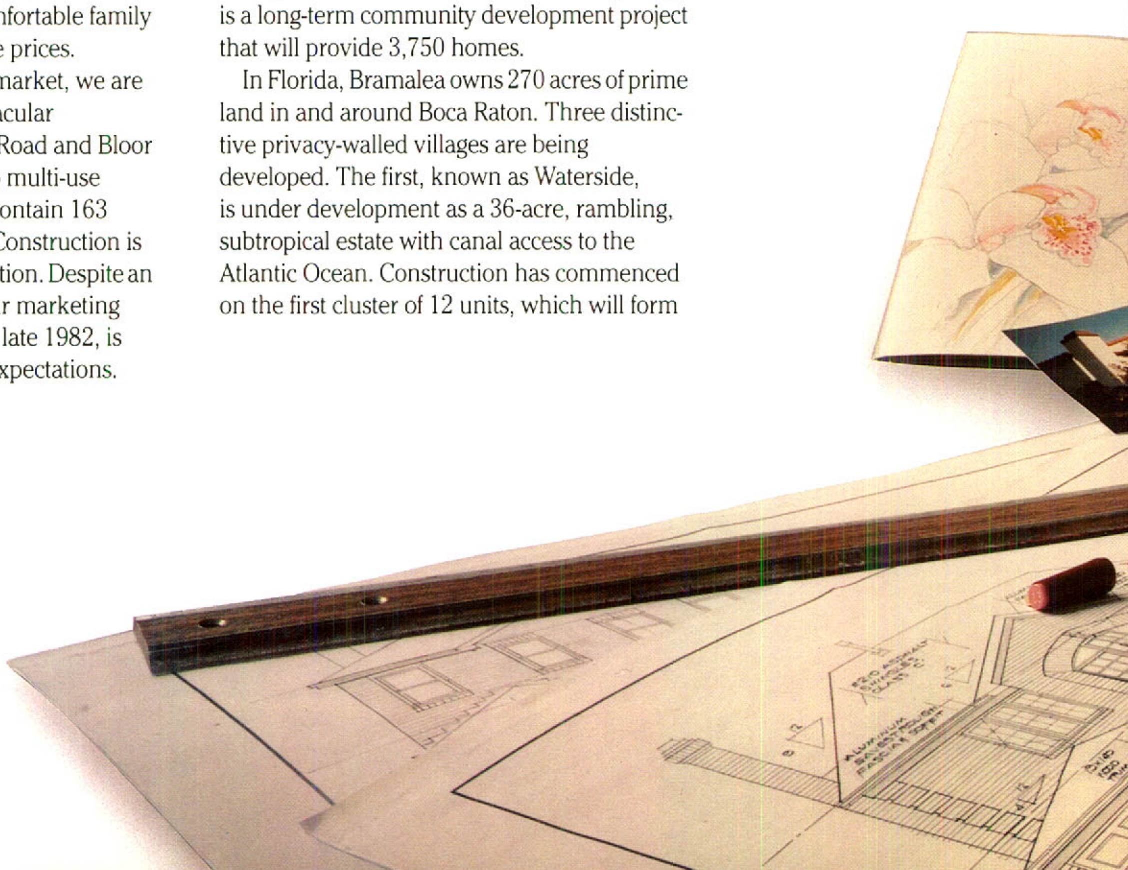
In January, 1983, construction commenced on our second condominium project in the Yonge and Sheppard area of Metro Toronto's North York. Known as Atrium II, this high quality building will contain 245 private residences. Although completion is not scheduled until the spring of 1984, nearly 60 suites had been sold by year-end.

In New York City, our Company has interests in four residential properties. During 1982, one rental building was successfully converted to condominium units and all suites were sold. The three remaining buildings are in various stages of development either as rental projects or high quality apartments which are co-operatively owned.

In 1982, three high-rise apartment buildings—two in Brampton and one in Ottawa—were constructed and sold under the Canadian government's Multiple Unit Residential Buildings (MURB) program. Under this program individual investors are able to acquire equity in apartment complexes.

A start was made on our first major residential community in California last year. In addition, several serviced lots were sold to local builders in the Rolling Ridge Estates community in the Chino Hills area of Los Angeles. Further lots are being processed for sale in 1983. Rolling Ridge is a long-term community development project that will provide 3,750 homes.

In Florida, Bramalea owns 270 acres of prime land in and around Boca Raton. Three distinctive privacy-walled villages are being developed. The first, known as Waterside, is under development as a 36-acre, rambling, subtropical estate with canal access to the Atlantic Ocean. Construction has commenced on the first cluster of 12 units, which will form



part of the eventual 149 unit garden court project. In the second village we have commenced a lot sales program with 26 lots sold to date. The third village will be developed on the remaining 132 acres as market conditions allow.

We have several subdivisions in various stages of development in Ontario, notably in Brampton, Pickering, North York and Markham. We are also planning a residential community on 242 acres we have owned for some years in Ottawa. In recent years, our successful joint venture activities in Ottawa have included six high-rise condominium and MURB apartment buildings.

Because the housing market is so uncertain, and subject to sudden stops-and-starts as interest rates and prices adjust to economic events, we intend to build only in response to firm buyer commitments. Our Company policy is to support government housing programs where our profitable participation can meet consumer expectations for specific types of accommodation.

While Bramalea Limited has a long established reputation as a home builder and community developer, it is also a major supplier of rental apartments, specifically in the Metropolitan Toronto region.

In 1982, the Company became a leading participant in federal and provincial incentive programs designed to spur rental construction to ease the apartment crisis. In 1982, three apartment buildings were completed in Brampton, bringing 832 new units on the market. In 1983/4, three more Brampton buildings, offering 639 units, will be ready for occupancy. In 1984, yet another three buildings —two in Brampton, one in North York—will provide 1,105 apartment suites. Thus, in a three-year period, our Company will have been responsible for creating 2,500 apartment units —the most concentrated high-rise construction program attempted.

Oil and Gas

Bramalea Limited has substantial investments in oil and gas properties. Our principal investment in the energy sector is our controlling interest in Coseka Resources Limited, a Canadian oil and gas exploration and production company based in Calgary, Alberta, and Denver, Colorado. The financial results of Coseka have been consolidated with those of Bramalea since August, 1982, when effective control was obtained.

The 1982 recession curtailed industrial and consumer demand for natural gas and petroleum, leading to product surpluses. As well, National Energy Board restrictions on natural gas exports softened prices.

Coseka had gross revenues of $60.7 million for the 17 months ended December 31, 1982— a considerable improvement over the twelve-month period ended July 31, 1981. Cash generated from operations was $26.4 million, compared with $15.2 million in the previous fiscal period, and earnings were $5.3 million, compared with $5.9 million. Profits in the current year were reduced by an increased charge for depletion, following a review by independent engineering consultants of Coseka's oil and gas reserves. Coseka also changed its method of calculating depletion on U.S. assets to reflect only proven reserves.

Approximately one-third of Coseka's assets are located in Canada and two-thirds in the United States.

Coseka's Canadian operations relate primarily to oil and gas exploration, development and production in Alberta and natural gas resources in British Columbia and Saskatchewan, with a participatory interest in the Canadian East Coast Offshore.

In Alberta, Coseka has several oil and gas wells in production, and is aggressively exploring throughout the province. In 1982, exploration focused on southeastern Alberta, where thirteen oil wells were completed, more than doubling the Company's Alberta oil production.

Other activities in Western Canada, in which Coseka participate, have resulted in two major gas discoveries during 1982. One discovery is estimated to contain 40 billion cubic feet of proven recoverable reserves, with substantial additional potential reserves. The other discovery is a single well with 23.5 billion cubic feet of proven recoverable reserves.

Coseka's largest single asset is the Douglas Arch natural gas field in the semi-wilderness area on the Colorado/Utah border. It consists of 340,000 gross acres, of which less than 25 percent has been developed. Since 1976, 210 wells have been drilled, with 94 wells connected to pipeline, of which 47 were in 1982. In the latest fiscal period, 67 wells were drilled under a limited partnership agreement with several large American institutional investors.

Oil and Gas Land Acreage

	Gross	Net Company Interest
Canada		
Alberta	1,161,996	211,017
British Columbia	261,804	33,228
East Coast	13,631,119	157,741
Prince Edward Island	3,700,000	38,850
Saskatchewan	132,998	50,518
Other areas	526,069	11,134
	19,413,986	502,488
United States		
Colorado	207,321	94,253
Kansas	68,802	13,641
Montana	105,556	41,237
Texas	78,037	29,163
Utah	126,500	92,329
Other areas	111,403	26,044
	697,619	296,667
International	271,809	135,905
	20,383,414	935,060

Sun rises at the natural gas discovery well at Thunder, in northeastern British Columbia.

Last year, Coseka concentrated on Douglas Arch reserves near existing pipelines, and drilling was switched from deep to shallow formations, employing new exploration techniques. Coseka will increase gross productive pipeline deliverability to more than 30 million cubic feet per day this year, compared with last year's capability of 20 million cubic feet per day. Our new strategy is designed to significantly increase cash flow while substantially reducing drilling costs.

Coseka was also an active participant in various drilling and development projects in Louisiana, Texas, and Wyoming.

In summary, in Canada and the United States during 1982, Coseka participated in the drilling of 337 (109 net to Coseka) wells of which 200 (70 net) were gas wells, 55 (13 net) were oil wells and the remainder were either dry or suspended.

Coseka owns a 29.5 percent interest in Wharf Resources Ltd., which will bring into production during 1983 a new gold mine situated at Annie Creek, South Dakota. Annie Creek has proven ore reserves of 5.2 million tons and additional potential reserves of 6 million tons.

Uncertainties will continue to plague the energy sector during the next two years, suggesting a slow and cautious return to more encouraging times. Immediate concerns include the natural gas surplus in Canada, and the impact of declining world oil prices on Canada's energy policy.

The North American market for natural gas will experience short-term adjustments. The current softening in prices should firm as the economy revives and the present "gas bubble" in the United States is utilized. The demand for natural gas after 1985 is expected to increase significantly, which will further strengthen Coseka's Douglas Arch investment and Canadian exports. Recently, the National Energy Board approved the KannGaz export project, which will increase cash flow and encourage exploration. Coseka is one of the largest contributors of gas reserves to this program.

Oil and Gas Reserves

	Oil	Natural Gas	Sulphur
	thousands of barrels	*billions of cubic feet*	*thousands of long tons*
Canada			
Proven	2,526.1	225.28	482.5
Probable	3,042.8	70.07	140.0
	5,568.9	295.35	622.5
United States			
Proven	504.9	82.91	—
Probable	205.3	33.76	—
	710.2	116.67	—
	6,279.1	412.02	622.5

Oil and Gas Daily Production

	1982	1981
Oil—*barrels (bbls)*		
Canada	476	472
United States	244	169
Average daily production	720	641
Gas—*thousand cubic feet (mcf)*		
Canada		
Alberta	15,708	18,683
British Columbia	1,540	2,206
Saskatchewan	3,534	4,253
	20,782	25,142
United States	7,361	4,933
Average daily production	28,143	30,075

The tables appearing in this section provide summarized information on the land holdings and reserves of Coseka at December 31, 1982 together with current daily production levels in comparative form with the previous year.

Historical Financial Review

In thousands

	1983	1982	1981	1980	1979
Consolidated Statement of Earnings					
Revenue					
Real estate sales	$ 193,509	127,219	88,192	80,180	62,486
Rental operations	103,925	97,425	76,997	57,900	44,552
Oil and gas	17,950	—	—	—	—
Other	18,348	11,184	8,206	8,298	5,384
	333,732	235,828	173,395	146,378	112,422
Expenses					
Cost of real estate sales	169,427	97,066	70,267	65,922	41,838
Rental operations	54,118	50,727	42,313	29,606	23,965
Oil and gas	12,860	—	—	—	—
Interest	63,846	51,828	33,218	27,778	21,489
Administrative and general	12,135	7,344	5,448	4,530	4,259
Other	10,686	8,485	5,582	5,407	2,790
	323,072	215,450	156,828	133,243	94,341
Earnings before income taxes and extraordinary item	10,660	20,378	16,567	13,135	18,081
Income taxes	2,275	7,697	7,394	6,185	8,976
Earnings before extraordinary item	8,385	12,681	9,173	6,950	9,105
Extraordinary item	—	—	—	—	2,450
Earnings before minority interest	8,385	12,681	9,173	6,950	6,655
Minority interest	741	—	—	—	—
Earnings for the year	$ 7,644	12,681	9,173	6,950	6,655
Earnings per share					
Before extraordinary item	$ .44	.73	.53	.40	.48
Extraordinary item	—	—	—	—	.13
For the year	$ .44	.73	.53	.40	.35
Cash provided from operations	$ 24,704	28,049	22,648	17,508	20,646
Per share	$ 1.41	1.61	1.31	.99	1.08
Consolidated Balance Sheet					
Assets					
Rental properties	$ 543,889	474,486	368,520	293,902	235,444
Properties under construction	347,121	221,510	89,310	38,348	29,670
Land under and held for development	265,619	264,813	155,879	134,287	99,661
Oil and gas properties	396,434	106,595	425	200	—
Amounts receivable	135,910	68,686	42,311	34,807	32,975
Other	28,543	21,390	23,063	6,928	8,479
	$1,717,516	1,157,480	679,508	508,472	406,229
Liabilities					
Long-term debt	$1,336,128	959,572	494,121	365,061	303,386
Bank indebtedness	74,243	28,139	55,123	35,395	6,909
Accounts payable and accrued liabilities	112,724	60,897	40,342	33,520	24,122
Minority interest in subsidiary company	52,492	—	—	—	—
Deferred income taxes	75,121	52,143	45,786	38,188	33,092
	1,650,708	1,100,751	635,372	472,164	367,509
Shareholders' Equity	66,808	56,729	44,136	36,308	38,720
	$1,717,516	1,157,480	679,508	508,472	406,229

Financial Commentary

The 1982 financial results (the fiscal year actually ended January 31, 1983) were impacted by the economic uncertainties which plagued the North American economy. Lower demands for housing, coupled with high interest rates, directly reduced current earnings. The return of interest rates to more acceptable levels will greatly improve our financial performance.

Revenues in 1982 were $333,732,000, with net earnings of $7,664,000, or 44 cents per share. Comparable earnings in 1981 were $12,681,000, or 73 cents per share. The Company's cash flow is primarily generated by our real estate investments and totalled $24,704,000, or $1.41 per share in 1982, compared with $28,049,000, or $1.61 per share in the previous year.

The source of the Company's revenues and operating profits were:

Real estate sales in Canada were comprised primarily of housing units and projects constructed under the terms of the Canadian government's Multiple Unit Residential Building (MURB) program. In the United States selected parcels of commercial land were sold together with four industrial buildings constructed in California.

The results of Coseka Resources Limited (our subsidiary company involved in the exploration and production of oil and gas) have been consolidated with those of Bramalea Limited since August 1982, when effective control was obtained. Prior to this date, the results of Coseka were recorded on an equity basis. The effect of consolidation on the cash flow of Bramalea was minimal but did add significantly to the total value of consolidated assets.

In thousands

	Revenues		Operating Profit	
	1982	1981	1982	1981
Real estate sales	$193,509	127,219	24,082	30,153
Rental operations	103,925	97,425	49,807	46,698
Oil and gas	17,950	—	5,795	480
Other operations	18,348	11,184	6,957	2,219
	$333,732	235,828	86,641	79,550

The Company's portfolio of income-producing properties contributed 57 percent of the operating profits. Shopping centres continued to provide more than half of these profits followed by office buildings, hotels, industrial properties, and multi-residential properties.

A deliberate strategy is being successfully pursued of expanding income-producing assets to provide stable and reliable long-term revenues and profits. Office buildings and rental apartment properties are anticipated to improve significantly their contribution to profits during the next few years as major new projects currently underway are completed.

Cash provided from operations—which is the sum of earnings for the year and the non-cash items of depreciation, depletion and deferred income taxes—provides a further measurement of performance. Actual cash generated by operations is greatly in excess of this number since the normal process of selling housing and land realizes funds which have previously been invested in the acquisition and development of our land inventory. This conversion of land holdings into cash contributed a further $14 million of cash to the Company. Thus, total cash available for reinvestment was approximately $40 million.

The assets of the Company, at book value, rose from $1,157,480,000 a year ago to $1,717,516,000 at January 31, 1983, and as noted above, was due primarily to the consolidation of Coseka Resources Limited with Bramalea Limited.

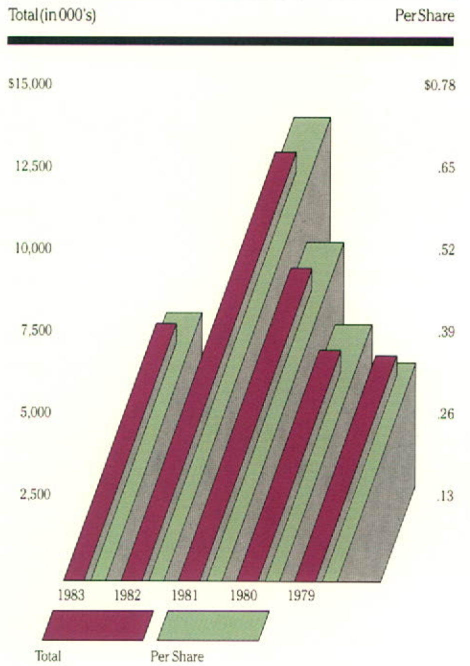
Approximately 40 percent of the Company's assets are rental properties, with the balance divided equally between other real estate assets and oil and gas properties.

The Company's investments in the United States represent 47 percent of the total consolidated assets, compared with 33 percent a year earlier. These U.S. assets are large scale projects, presently in the development stage, and will be an important source of future income.

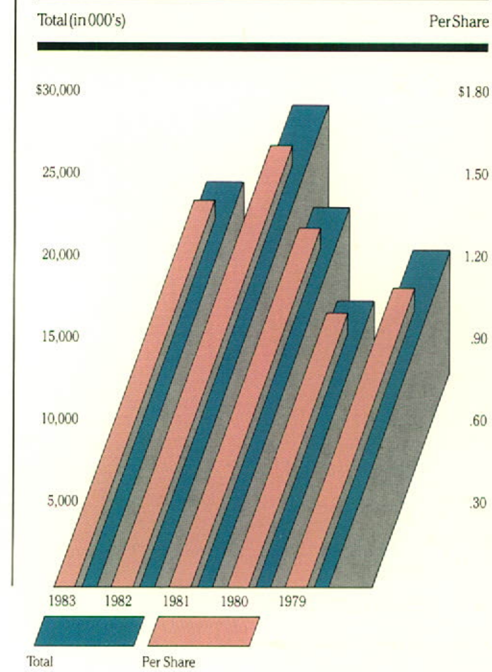
The volatile financial markets over the last two years have limited the availability of long-term financing at acceptable fixed rates. To limit the exposure to long-term high interest rates, shorter term floating rate debt has been utilized to finance many of our recently completed and current projects. The return to more traditional interest levels occurred late in 1982, and since this time we have commenced a program to convert existing floating rate debt to longer term fixed rate instruments.

The book value of Shareholders' Equity at January 31, 1983 was $66,808,000. This value has been calculated on the basis of historic values and takes no account of the fair market value of the Company's assets, which are substantially in excess of book values. To provide a meaningful measure of the Company's net worth, we have computed an Adjusted Shareholders' Equity. This calculation is based on an estimate of the current market value of all assets and liabilities, net of income taxes at appropriate rates. Market values computed at January 31, 1983 have been determined by a combination of independent qualified appraisers and management estimates. On this basis, the Adjusted Shareholders' Equity at January 31, 1983, net of income taxes was of $410,435,000 or $22.55 per share.

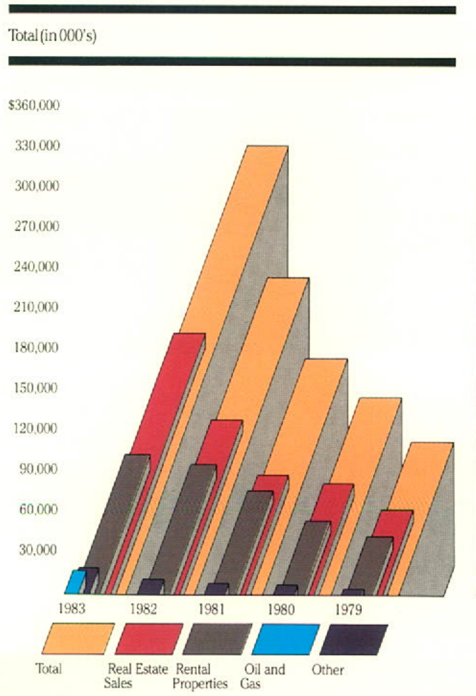
Earnings for the Year



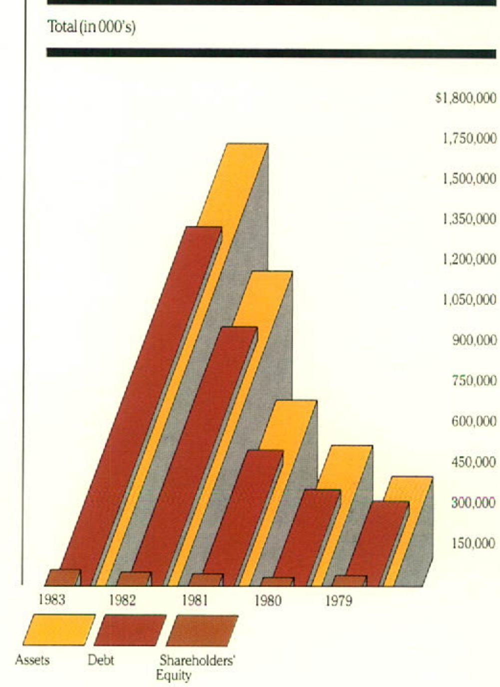
Cash Provided from Operations



Revenues by Source



Assets, Debt and Shareholders' Equity



Real Estate Property Portfolio

Shopping Centres

	Number of Stores and Tenants	Rentable Area in Square Feet
Alberta		
MacLeod Trail Mall, Calgary	40	207,100
Marlborough Town Square, Calgary	107	489,900
Trans Canada Mall, Calgary	30	153,300
British Columbia		
Brentwood Mall, Burnaby	77	436,300
Colorado		
Durango Mall, Durango	40	187,100
Glenwood Springs Mall, Glenwood Springs	39	170,800
Manitoba		
Brandon Shoppers Mall, Brandon	71	281,000
Brandon Mall Annex, Brandon	4	22,900
Maryland		
Towson Marketplace, Baltimore	41	427,200
Missouri		
Maryville Shopping Center, Maryville	8	35,200
New Mexico		
Carlsbad Mall, Carlsbad *(note 1)*	27	103,700
North Dakota		
Buffalo Mall, Jamestown *(note 1)*	44	190,200
Oklahoma		
Mountain View Mall, Ardmore *(note 2)*	43	222,700
Ontario		
Bramalea City Centre, Bramalea	214	912,700
Bramalea Convenience Centre, Bramalea	6	15,900
Bramalea Outlet Centre, Bramalea	51	155,200
Harwood Place, Ajax *(note 3)*	40	208,200
MacKay Plaza, Bramalea	10	50,300
Niagara Pen Centre, St. Catharines	127	966,700
Northgate Shopping Centre, Bramalea	8	16,400
Queenston Mall, Hamilton *(note 3)*	31	161,600
Royal Orchard Shopping Centre, Thornhill	10	46,100
Southgate Village Shopping Centre, Bramalea *(note 3)*	13	27,400
Southridge Mall, Sudbury	47	173,700
Thorold Stone Mall, Niagara Falls	14	56,300
Pennsylvania		
Colonial Park Plaza, Harrisburg	72	517,900
Langhorne Shopping Center, Philadelphia	26	186,800
Levittown Shopping Center, Philadelphia	75	405,000

Saskatchewan		
Confederation Park Plaza, Saskatoon	37	228,000
Plaza 22, Saskatoon	11	28,200
South Hill Shopping Centre, Prince Albert	43	255,700
Town 'N' Country Square, Moose Jaw	62	303,200
South Dakota		
Pierre Mall, Pierre *(note 1)*	39	155,400
University Mall, Brookings *(note 2)*	34	134,700
Texas		
Big Spring Mall, Big Spring	37	129,300
Marshall Mall, Marshall *(note 2)*	39	194,000
Nolan River Mall, Cleburne *(note 2)*	37	184,900
Palestine Mall, Palestine *(note 2)*	36	207,300
Pampa Mall, Pampa *(note 2)*	43	222,000
Southgate Mall, Kingsville *(note 4)*	37	180,000
University Mall, Nacogdoches *(note 1)*	37	138,300
	1,807	9,188,600

Notes
1. Property sold in 1983 with management to continue by Bramalea.
2. Bramalea owns 50%.
3. Property leased and operated by Bramalea.
4. Bramalea owns 60%.

Residential Rental Properties

		Number of Units
Highrise Apartments		
Buchanan Tower	5 Kings Cross Road, Bramalea	212
Cameron Tower	3 Knightsbridge Road, Bramalea	308
Lakewood 100	10 Lisa Street, Bramalea	199
Lakewood 200	2 Silver Maple Court, Bramalea *(notes 1 and 2)*	197
Lakewood 300	4 Silver Maple Court, Bramalea *(notes 1 and 2)*	219
Lakewood 400	6 Silver Maple Court, Bramalea	339
Lakewood 500	8 Silver Maple Court, Bramalea	294
Lakewood 600	8 Lisa Street, Bramalea *(note 1)*	223
MacKenzie Tower	10 Kensington Road, Bramalea	148
Munro Tower	11 Knightsbridge Road, Bramalea	178
Williamsquare	15 Eastbourne Drive, Bramalea	170
Apartments	37 Eastbourne Drive, Bramalea	170
9 Lisa Street	Bramalea	185
11 Lisa Street	Bramalea	185
Townhouses		
Balmoral Drive	Bramalea	101
Folkstone Terrace	790 Clark Blvd., Bramalea	183
York Square North	Gosford Blvd., Downsview	91
		3,402

Notes
1. Under construction.
2. Non-owned property managed by Bramalea.
3. All properties are situated in Ontario.

Office Buildings

	Rentable Area in Square Feet
Alberta	
Edwards Professional Building, Edmonton	42,400
Marlborough Professional Building, Calgary	48,400
9920-108th Street, Edmonton	129,700
10808-99th Avenue, Edmonton	90,300
California	
Clorox Building, Oakland *(note 1)*	488,600
Office Building III, Oakland *(note 1)*	172,200
San Diego Commercenter, San Diego *(note 2)*	121,000
Colorado	
Ptarmigan Place, Denver	404,700
Ontario	
Avenue Road & Bloor Street West, Toronto *(notes 2 & 3)*	300,000
Toronto Star Building, Toronto	767,700
121 Bloor Street East, Toronto *(note 2)*	232,000
55 St. Clair Avenue West, Toronto *(note 3)*	243,200
1867 Yonge Street, Toronto	103,200
40 Peel Centre Drive, Bramalea	17,800
44 Peel Centre Drive, Bramalea	55,400
Texas	
One Main Place, Dallas *(notes 2 and 4)*	1,785,000
	5,001,600

Notes
1. Bramalea owns 80%.
2. Under construction.
3. Bramalea owns 50%.
4. Bramalea owns 40%.

Hotels

	Number of Rooms
British Columbia	
Hyatt Regency, Vancouver *(note 1)*	656
Ontario	
Four Seasons, Toronto *(note 1)*	483
Holiday Inn, Brampton	150
	1,289

Note
1. Bramalea owns 75%.

Industrial Buildings

	Rentable Area in Square Feet
Bramalea, Ontario	
Aircraft Appliances & Equipment Limited	114,100
Airport Chevrolet Oldsmobile Inc.	25,000
Boots Drug Stores (Canada) Ltd.	263,900
Brock Containers Limited	126,000
Burlington Carpet Mills (Canada) Ltd.	125,000
Canterbury Foods Limited	18,800
Champion Road Machinery Sales Ltd.	36,000
Comshare Limited	12,100
Crowle Fittings Ltd.	25,800
Dominion Cellulose Limited	194,600
International Paints of Canada Limited	97,300
Jaguar, Rover, Triumph Canada Inc.	38,000
Kinney Shoes of Canada Limited	125,500
Lawry's Foods of Canada Limited	25,500
North American Wallpapers Limited	124,500
Plastmo Ltd.	31,200
Reed Inc.	333,700
Richards Delivery Service Limited	67,000
J. D. Smith & Sons Limited	96,200
Source Data Control Ltd.	174,500
Volvo Canada Limited	15,200
Western Controls Incorporated	25,800
1000 Clark Boulevard *(note 1)*	155,800
2000 Clark Boulevard	80,500
1940 Steeles Avenue	18,500
2150 Steeles Avenue	97,700
8040 Torbram Road	90,700
220 Walker Drive	103,200
300 Walker Drive	102,800
Pickering, Ontario	
IBM Canada Ltd.	94,600
830 Brock Road	95,600
1800 Ironstone Manor	158,300
1725 McPherson Court	148,000
	3,241,400

Note

1. Bramalea owns 50%.

Land Acreage *Under and held for development*

	Inventory at January 31, 1982 Total	Purchased	Usage*	Total	Inventory at January 31, 1983 Bramalea's Interest
Alberta					
Calgary	13	—	2	11	11
Edmonton	85	—	—	85	85
California					
Los Angeles	2,593	—	5	2,588	1,450
San Diego	60	—	45	15	7
Florida					
Boca Raton	274	—	4	270	147
Ontario					
Ancaster	46	—	14	32	32
Bramalea	2,241	—	117	2,124	2,124
Guelph	198	—	23	175	175
North York	8	5	2	11	10
Orangeville	200	—	—	200	100
Ottawa	263	—	4	259	134
Pickering	773	—	29	744	734
Unionville	474	—	8	466	466
Other areas	41	5	21	25	20
	7,269	10	274	7,005	5,495

*Usage includes sales, transfers to other asset accounts and dedications to civic authorities.

Housing

	Inventory of Units at January 31, 1982	Construction starts	Units sold and closed	Inventory of Units at January 31, 1983 *(note 1)*	Accepted offers on hand at January 31, 1983 to close during 1983/84
California					
Los Angeles					
Singles	5	15	3	17	9
Florida					
Boca Raton *(note 2)*					
Townhouses	6	6	2	10	4
Ontario					
Ancaster *(note 2)*					
Singles	—	28	5	23	21
Aurora *(note 2)*					
Singles	1	1	2	—	—
Bramalea					
Singles	146	247	302	91	301
Townhouses	41	—	41	—	—
Pickering					
Singles	45	206	78	173	207
Toronto *(note 2)*					
Townhouses	32	—	—	32	11
Highrise	131	—	—	131	36
Unionville					
Singles	47	1	20	28	12
	454	504	453	505	601

Notes

1. Included in the inventory of units at January 31, 1983 are 33 model units.
2. Bramalea has a 50% interest in this project.

Summary of Significant Accounting Policies

The Company is incorporated under The Business Corporations Act of the Province of Ontario.

The financial statements are prepared on the historic cost basis of accounting in accordance with principles generally accepted in Canada and conform in all material respects with International Accounting Standards. The accounting policies and standards of financial disclosure with respect to real estate operations are in accordance with the recommendations of the Canadian Institute of Public Real Estate Companies, of which the Company is a member.

The Company operates in Canada and the United States in three major business segments:

(i) the acquisition, development and operation of rental properties, including shopping centres, office buildings, hotels, residential and industrial properties;
(ii) the acquisition, development and sale of real estate; and
(iii) the exploration, development, production and sale of oil and gas.

Principles of consolidation

The consolidated financial statements include the accounts of all companies in which the Company has effective control. These companies are accounted for using the purchase method and the results of their operations are included in the Consolidated Statement of Earnings from the date of acquisition. The excess of cost over book value of acquisitions is allocated at the date of acquisition to the assets acquired in order to reflect their fair value.

The Consolidated Financial Statements also include the Company's proportionate share of the individual assets, liabilities, revenues and expenses of incorporated and unincorporated joint ventures.

Rental properties

Rental properties are recorded at cost less accumulated depreciation.

Depreciation on rental buildings is recorded on a sinking fund basis over a 50-year life for shopping centres and office buildings and a 40-year life for hotels, residential buildings and industrial buildings, except that buildings on leased land are depreciated over periods not exceeding the terms of the related leases. The sinking fund method provides a depreciation charge consisting of a fixed annual sum together with interest thereon compounded at 5% per annum, which is sufficient to fully depreciate the buildings over their anticipated useful lives.

Depreciation on plant and equipment is provided on a straight line basis over periods up to ten years.

Land under and held for development

Land is recorded at the lower of cost and net realizable value. Costs are allocated to the saleable acreage of each project or subdivision in proportion to the anticipated revenues.

Oil and gas properties

Oil and gas properties are recorded using the full cost method of accounting whereby all costs related to the acquisition, exploration and development of oil and gas properties are accumulated in Canadian and United States cost centres. Each cost centre is depleted using the unit-of-production method based on estimated recoverable reserves, determined primarily by independent engineering consultants. The cost of acquiring certain significant undeveloped properties in the United States are excluded from costs to be depleted until it is determined that proved reserves are attributable to the properties or impairment in value is indicated.

Foreign exchange

Asset and liability accounts in United States dollars have been translated to Canadian dollars using the year end exchange rate. Revenues and expenses have been translated at the average exchange rate for the year. Foreign exchange gains or losses, to the extent that they have been realized, are included in the Consolidated Statement of Earnings.

Capitalized charges

The cost of real estate properties under construction and land under development includes interest on both specific and general debt, real estate taxes and administrative and general expenses incurred in connection with the acquisition, development and construction of properties.

The cost of oil and gas properties includes interest on both specific and general debt related to non-producing properties and administrative and general expenses related to the acquisition, exploration and development of properties.

Recognition of earnings

Real estate sales

Revenue and earnings from the sale of land and other properties are recorded when the collection of the sale proceeds is reasonably assured and all other significant conditions of the sale are met.

The sale of a single or semi-detached house is recorded when title to the completed house is conveyed to the purchaser.

The sale of a condominium unit is recorded when the purchaser pays the amount due on closing, becomes entitled to occupancy and undertakes to assume a mortgage for the balance of the purchase price.

Rental operations

Revenue from rental properties is recorded in earnings from the time a satisfactory level of occupancy is achieved, subject to the expiration of a reasonable period after substantial completion. Operating results prior to this time are capitalized as a cost of the property.

Oil and gas

Revenues received under take-or-pay provisions of gas sale contracts are deferred and taken into income as reserves committed under the contracts are delivered to the purchasers.

Auditors' Report to the Shareholders

Peat, Marwick, Mitchell & Co.

We have examined the consolidated balance sheet of Bramalea Limited as at January 31, 1983, and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at January 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Chartered Accountants
Toronto, Canada
March 15, 1983

Consolidated Statement of Earnings

In thousands

year ended January 31, 1983	1983	1982
Revenues		
Real estate sales	$ 193,509	127,219
Rental operations	103,925	97,425
Oil and gas *(note 4)*	17,950	—
Interest	4,526	2,429
Other *(note 4)*	13,822	8,755
	333,732	235,828
Expenses		
Cost of real estate sales	169,427	97,066
Rental operations	54,118	50,727
Oil and gas	12,860	—
Interest *(note 10)*	63,846	51,828
Administrative and general	12,135	7,344
Other	10,686	8,485
	323,072	215,450
Earnings before income taxes	10,660	20,378
Income taxes *(note 12)*	2,275	7,697
Earnings before minority interest	8,385	12,681
Minority interest	741	—
Earnings for the year	$ 7,644	12,681
Earnings per share *(note 9)*	$ .44	.73

See Summary of Significant Accounting Policies and accompanying Notes to Consolidated Financial Statements.

Bramalea Limited

Consolidated Balance Sheet

In thousands

as at January 31, 1983	1983	1982
Assets		
Rental properties *(note 1)*	$ 543,889	474,486
Properties under construction *(note 2)*	347,121	221,510
Land under and held for development *(note 3)*	265,619	264,813
Oil and gas properties *(note 4)*	396,434	106,595
Amounts receivable *(note 5)*	135,910	68,686
Other *(note 6)*	28,543	21,390
	$1,717,516	1,157,480
Liabilities		
Long-term debt *(note 7)*	$1,336,128	959,572
Bank indebtedness *(note 8)*	74,243	28,139
Accounts payable and accrued liabilities	112,724	60,897
Minority interest in subsidiary company	52,492	—
Deferred income taxes	75,121	52,143
	1,650,708	1,100,751
Shareholders' Equity		
Capital stock *(note 9)*	24,294	19,156
Retained earnings	42,514	37,573
	66,808	56,729
	$1,717,516	1,157,480

On behalf of the Board

J. R. Shiff

Director

Benjamin Swirsky

Director

See Summary of Significant Accounting Policies and accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Retained Earnings

In thousands

year ended January 31, 1983	1983	1982
Retained earnings at beginning of year	$ 37,573	27,520
Earnings for the year	7,644	12,681
Dividends on common shares	(2,703)	(2,628)
Retained earnings at end of year	$ 42,514	37,573

See Summary of Significant Accounting Policies and accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Changes in Financial Position

In thousands

year ended January 31, 1983	1983	1982
Source of cash		
Cash provided from operations		
Earnings for the year	$ 7,644	12,681
Items not involving an outlay of cash		
Deferred income taxes	2,057	7,489
Depreciation and depletion	14,153	7,318
Amortization of deferred charges	1,406	860
Other items—net	(556)	(299)
Cash provided from operations	24,704	28,049
Additional long-term debt	183,203	465,451
Additional bank indebtedness	46,104	—
Issue of common shares	5,138	2,540
	$259,149	496,040
Use of Cash		
Construction of properties	$125,611	132,200
Investment in rental properties	77,764	112,533
Investment in oil and gas properties	43,005	106,947
Purchase and development of land under and held for development	806	108,934
Reduction of bank indebtedness	—	26,984
Declaration and payment of dividends	2,703	2,628
Other	9,260	5,814
	$259,149	496,040
Cash provided from operations per share *(note 9)*	$ 1.41	1.61

See Summary of Significant Accounting Policies and accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

January 31, 1983

1. Rental properties

In thousands

	1983			1982
	Cost	Accumulated depreciation	Net	Net
Shopping centres	$255,138	8,431	246,707	222,358
Office buildings	118,139	3,907	114,232	112,656
Hotels	60,805	10,803	50,002	50,351
Residential properties	79,938	6,596	73,342	35,271
Industrial buildings	61,914	2,308	59,606	53,850
	$575,934	32,045	543,889	474,486

Transactions during the year consisted of:

In thousands

	1983	1982
Balance at beginning of year	$474,486	368,520
Acquisitions	16,750	47,598
Transfer from properties under construction *(note 2)*	81,768	87,782
Depreciation and amortization of deferred charges	(8,361)	(6,567)
Cost of real estate sales	(20,754)	(22,847)
Balance at end of year	$543,889	474,486

The Company is committed to minimum and participating rental payments in respect of long-term leases of land and rental properties which expire in the years 1997 to 2068. Minimum rentals approximate $1,200,000 for each of the next five years and aggregate $29,700,000 to completion of the leases.

The net book value of rental properties situated on leased land is $58,400,000 (1982—$57,400,000). The terms of the leases approximate the economic life of the buildings.

2. Properties under construction

In thousands

	1983	1982
Rental properties		
Shopping centres	$ 33,060	48,920
Office buildings	115,000	50,948
Residential properties	1,890	24,925
Industrial buildings	—	12,697
Constructed and held for sale	91,008	—
	240,958	137,490
Multiple-use rental and housing properties	66,623	62,281
Houses under construction and held for sale	39,540	21,739
	$347,121	221,510

Costs to complete properties under construction are estimated at $225,000,000. Financing has been arranged for the total cost of these projects.

Transactions during the year consisted of:

In thousands

	1983	1982
Balance at beginning of year	$221,510	89,310
Acquisitions	—	57,642
Construction costs	222,339	175,669
Capitalized charges *(note 11)*	33,911	20,361
Transfer from land under and held for development *(note 3)*	54,513	24,304
Transfer to rental properties *(note 1)*	(81,768)	(87,782)
Cost of real estate sales	(103,384)	(57,994)
Balance at end of year	$347,121	221,510

3. Land under and held for development

In thousands

	1983	1982
Under development		
Commercial	$111,805	121,198
Residential	110,305	90,823
	222,110	212,021
Held for development	43,509	52,792
	$265,619	264,813

Transactions during the year consisted of:

In thousands

	1983				1982
	Under development		Held for		
	Commercial	*Residential*	development	Total	Total
Balance at beginning of year	$121,198	90,823	52,792	264,813	155,879
Acquisitions	34,046	3,224	175	37,445	86,412
Development costs	5,852	15,975	—	21,827	30,021
Capitalized charges *(note 11)*	22,726	18,610	—	41,336	33,030
Transfer between land accounts	842	8,616	(9,458)	—	—
Transfer to properties under construction *(note 2)*	(30,610)	(23,903)	—	(54,513)	(24,304)
Cost of real estate sales	(42,249)	(3,040)	—	(45,289)	(16,225)
Balance at end of year	$111,805	110,305	43,509	265,619	264,813

4. Oil and gas properties

In thousands

	1983			1982
	Cost	Accumulated depletion	Net	Net
Properties and production facilities	$401,940	7,163	394,777	—
Other plant and equipment	1,757	100	1,657	—
Equity investment	—	—	—	106,595
	$403,697	7,263	396,434	106,595

In August 1982 the Company increased its ownership in Coseka Resources Limited ("Coseka") to 52.6% and from this date the results of Coseka have been consolidated with those of the Company. Previously the investment in Coseka was recorded using the equity basis of accounting.

4. Oil and gas properties *(continued)*

Information on the assets acquired, at assigned values, is summarized below:

	In thousands
Assets	
Oil and gas properties	$386,128
Other assets	49,389
	435,517
Liabilities	
Long-term debt	193,353
Deferred income taxes	20,921
Other liabilities	35,488
	249,762
Net assets	185,755
Minority interest	52,550
Investment cost	$133,205

Transactions in the Company's investment in oil and gas properties prior to consolidation consisted of:

In thousands	1983	1982
Balance at the beginning of the year	$106,595	—
Share acquisition cost	22,558	100,621
Capitalized charges *(note 11)*	4,520	6,326
Share of net income	705	480
Amortization of excess of cost over book value	(991)	(651)
Dividends received	(182)	(181)
Investment prior to consolidation	$133,205	106,595

Transactions in the oil and gas properties account subsequent to consolidation consisted of:

	In thousands
Oil and gas properties, at assigned values	$386,128
Capitalized charges *(note 11)*	15,172
Exploration and development costs	755
Depletion	(5,621)
	$396,434

Equity profits prior to August 1982 are included with other revenues in the Consolidated Statement of Earnings (1983—$705,000; 1982—$480,000).

5. Amounts receivable

In thousands

	1983	1982
Mortgages and notes	$43,534	32,304
Rents and other tenant charges	11,225	10,925
Real estate sales	2,383	2,934
Oil and gas	41,782	—
Due from officers	14,902	6,325
Due from joint venture participants	15,042	13,824
Other	7,042	2,374
	$135,910	68,686

The average interest rate is 12% on mortgages and notes receivable and 13% on amounts due from joint venture participants.

Amounts due from officers consist primarily of non-interest bearing secured advances related to employee stock purchase plans, oil and gas drilling funds and house mortgage loans.

The due dates of the amounts receivable are as follows:

	In thousands
Year ending January 31, 1984	$74,459
1985	23,729
1986	7,463
1987	7,097
1988	9,275
Subsequent to 1988	13,887
	$135,910

6. Other assets

In thousands

	1983	1982
Cash and short-term investments	$16,888	3,220
Prepaid expenses and deposits	5,219	13,653
Vehicles and equipment net of accumulated depreciation	4,962	4,517
Other investments	1,474	—
	$28,543	21,390

7. Long-term debt

In thousands

	Maturity dates	Average interest rates	1983	1982
Mortgages and notes				
Rental properties	1984-2066	12%	$ 445,749	339,056
Land under and held for development	1984-1990	12%	119,958	125,705
Oil and gas	1984-2002	11%	222,861	—
Other assets	1984-1994	9%	20,023	37,253
			808,591	502,014
Term loan	1990	12%	275,000	275,000
Debentures	1984-1989	11%	9,793	9,793
			1,093,384	786,807
Interim financing on properties under construction			242,744	172,765
			$1,336,128	959,572

The term loan is secured by mortgages on certain rental properties and land under and held for development. The loan bears interest at a rate related to the prime rate of the Company's bankers, or at the Company's option, at rates which may be fixed for prescribed periods of time.

The debentures bear interest at 11% per annum (subject to change by the Company with effect from October 1, 1983), are retractable on October 1, 1983 at the holder's option, and mature on October 1, 1988. The debentures are secured by a Trust Indenture containing a floating charge on the assets of the Company, subject to the prior charge arising from the bank indebtedness.

United States dollar obligations of $538,669,000 are included above in the amount of $665,167,000 Canadian.

Principal repayments of mortgages and notes are due as follows:

In thousands

	Instalment payments	Due on maturity	Total
Year ending January 31, 1984	$25,991	27,046	53,037
1985	33,555	14,553	48,108
1986	42,580	15,130	57,710
1987	43,063	11,545	54,608
1988	34,287	4,022	38,309
Subsequent to 1988			556,819
			$808,591

8. Bank Indebtedness

Bank indebtedness consists of demand operating loans which are secured by a general assignment of the Company's receivables and a floating charge debenture on the assets of the Company.

9. Capital Stock

Common Shares

Common share transactions are summarized below:

	Common Shares of No Par Value		
	Authorized Shares	Issued and Fully-paid Shares	Stated Value *In thousands*
Balance at beginning of year	60,000,000	17,552,580	$ 19,156
Issue of shares under employee stock option plan		6,500	8
Issue of shares under employee stock purchase plan		642,000	5,130
Balance at end of year	60,000,000	18,201,080	$ 24,294

Subject to shareholders' approval, an Incentive Stock Option Plan has been established for certain employees of the Company resident in the United States. Under the terms of the plan, options covering 152,500 common shares are to be granted. The options will expire by 1993.

Under the terms of an earlier employee stock option plan the Company has reserved 4,600 shares for issue at a price of $1.18 per share (being the price established at the time of the issue of such options in 1975). These options expire in 1984.

The shares issued under the employee stock purchase plan are held by a trustee pursuant to the terms of the plan pending repayment to the Company of interest-free loans made for purposes of acquiring these shares.

Earnings and cash provided from operations per share are based on the weighted monthly average number of shares outstanding during each year (1983—17,568,900; 1982—17,456,500).

Preference Shares

Common shareholders resident in Canada may elect to receive all or any part of future dividends in the form of cash or stock dividends. In order to allow the issue of stock dividends, the Company has authorized at January 31, 1983, 18,693,188 First Preference Shares without par value, of which 3,693,188 are designated as 6% cumulative, non-voting, redeemable, Series A shares. The value of each First Preference Share, Series A, has been fixed at $1.00, being the amount at which the shares are redeemable at the option of either the holder or the Company. During the year, 99,286 First Preference Shares, Series A, were issued and redeemed for cash.

10. Interest

In thousands

	1983	1982
Interest charges were incurred on:		
Long-term debt	$139,859	100,751
Bank indebtedness	12,021	10,198
	151,880	110,949
Amounts capitalized to:		
Properties under construction	33,149	21,352
Land under development		
Commercial	20,725	12,957
Residential	17,040	18,486
Oil and gas properties	17,120	6,326
	88,034	59,121
Interest expense	$ 63,846	51,828

11. Capitalized charges

In thousands

	1983	1982
During the year the following costs were capitalized:		
Interest *(note 10)*	$ 88,034	59,121
Administrative and general	4,974	1,767
Real estate taxes and other costs	6,068	1,024
Recoveries	(4,137)	(2,195)
	$ 94,939	59,717
These amounts were capitalized as follows:		
Properties under construction *(note 2)*		
Rental properties	$ 21,266	13,895
Multiple-use rental and housing properties	10,585	4,540
Houses under construction and held for sale	2,060	1,926
Land under development *(note 3)*	33,911	20,361
Commercial	22,726	13,610
Residential	18,610	19,420
Oil and gas properties *(note 4)*	19,692	6,326
	$ 94,939	59,717

12. Income taxes

Income taxes provided in the Consolidated Statement of Earnings are less than the expected rate primarily because of the non-taxable portion of certain gains and losses realized on real estate sales and the tax effect of financing transactions.

13. Contingent liabilities

The Company is contingently liable under guarantees which are issued in the normal course of business and with respect to pending litigation and claims which arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a significant adverse effect on the consolidated financial statements of the Company.

14. Remuneration of directors and officers

The aggregate direct remuneration paid by the Company to its directors and senior officers, as defined in The Business Corporations Act, for the year ended January 31, 1983 was $3,045,000.

15. Related party transactions

The Company, in the normal course of both its real estate and oil and gas operations, has transactions with its directors and officers or with companies in which directors of the Company are also directors of the other company. In all cases the transactions are on the same terms as arrangements with unrelated parties.

The Company has created employee share purchase plans for the officers and certain employees. Details are provided in notes 5 and 9.

16. Business segment information

In thousands

	Canada		United States		Total	
	1983	1982	1983	1982	1983	1982
Revenue						
Real estate sales	$149,169	120,655	44,340	6,564	193,509	127,219
Rental operations	96,260	91,311	7,665	6,114	103,925	97,425
Oil and gas	11,788	480	6,867	—	18,655	480
	$257,217	212,446	58,872	12,678	316,089	225,124
Earnings from operations						
Real estate sales	$ 24,685	29,950	(603)	203	24,082	30,153
Rental operations	45,844	43,637	3,963	3,061	49,807	46,698
Oil and gas	5,100	480	695	—	5,795	480
	$ 75,629	74,067	4,055	3,264	79,684	77,331
Interest and other revenue					17,643	10,704
Interest expense					(63,846)	(51,828)
Administrative and general expenses					(12,135)	(7,344)
Other expenses					(10,686)	(8,485)
Minority interest					(741)	—
Income taxes					(2,275)	(7,697)
Earnings for the year					$ 7,644	12,681
Identifiable assets						
Rental operations	$490,600	443,745	203,239	168,231	693,839	611,976
Other real estate	206,889	160,334	255,901	188,499	462,790	348,833
Oil and gas	121,540	106,595	274,894	—	396,434	106,595
	$819,029	710,674	734,034	356,730	1,553,063	1,067,404
Other assets					164,453	90,076
					$1,717,516	1,157,480

Depreciation and amortization expense of $8,361,000 (1982—$6,567,000) is included in the earnings for rental operations and $585,000 (1982—$960,000) is included in other expenses.

Depletion of $6,613,000 (1982—$651,000) is included in the earnings from oil and gas.

17. Joint ventures

The consolidated financial statements include the Company's proportionate share of the real estate revenues, expenses, assets and liabilities of incorporated and unincorporated joint ventures as follows:

In thousands

	1983	1982
Statement of Earnings		
Revenues		
Real estate sales	$ 40,352	21,098
Rental operations	21,153	19,724
Interest	1,191	735
Other	968	1,160
	63,664	42,717
Expenses		
Cost of real estate sales	36,073	18,918
Rental operations	19,092	19,147
Administrative and general	248	86
Other	4,620	2,260
	$ 60,033	40,411
Earnings before income taxes	$ 3,631	2,306
Balance Sheet		
Assets		
Rental properties	$ 16,022	58,556
Properties under construction	113,836	85,548
Land under and held for development	131,572	95,139
Amounts receivable	32,759	20,218
Other	13,956	4,463
	$308,145	263,924
Liabilities		
Long-term debt	$154,866	173,947
Bank indebtedness	1,659	971
Accounts payable and accrued liabilities	15,481	15,480
Deferred income taxes	669	654
Equity and advances	135,470	72,872
	$308,145	263,924

Bramalea responded promptly to a sudden demand for new housing in the wake of last year's government incentives to new homebuyers.

Bramalea Limited

Corporate Directory

Directors of the Company

*Robert E. Adams
Calgary, Alberta
President
Coseka Resources Limited

Robert W. Billingsley
Toronto, Ontario
President
Billvest Limited

*Harold A. Ellis, Jr.
Oakland, California
Chairman and President
Grubb & Ellis Company

†Kenneth E. Field, B.A., LL.B.
Toronto, Ontario
President
Bramalea Limited

Enid G. Hildebrand, M.A., LL.B.
Toronto, Ontario
Partner
Gold Hildebrand

*†John O. Hinds
Toronto, Ontario
Senior Vice-President—
Exploration and Development
Noranda Mines Limited

Charles M. Laidley
Toronto, Ontario
President
Laidley Management Corporation

†J. Richard Shiff, Q.C.
Toronto, Ontario
Chairman and
Chief Executive Officer
Bramalea Limited

*†Benjamin Swirsky,
B. Comm., LL.B., F.C.A.
Toronto, Ontario
Vice Chairman
Bramalea Limited

†John H. Taylor, B. Eng. (Civil)
Toronto, Ontario
Chairman
North American Life
Assurance Company

*Member of the Audit Committee
†Member of the Executive Committee

Officers of the Company

J. Richard Shiff, Q.C.
Chairman and Chief Executive Officer

Kenneth E. Field, B.A., LL.B.
President

Benjamin Swirsky,
B. Comm., LL.B., F.C.A.
Vice Chairman

Bruce D. Pattison
Senior Vice-President
Shopping Centre Division

Douglas N. Salter
Senior Vice-President

William A. Bodrug, M.B.A.
Vice-President

Myron L. Boltman
Vice-President
Office Buildings/
Industrial Development

Stewart D. Davidson, C.A.
Vice-President Finance
and Chief Financial Officer

Gordon L. Deson, P.Eng.
Vice-President

Catherine J. Garrett, C.A.
Vice-President
Corporate Planning

Peter A. Goring, C.A.
Vice-President and Treasurer

David E. Horne, M. Arch.
Vice-President
Project Planning

Bruce Kerr
Vice-President
Land & Urban Development

Gordon R. Lavis
Vice-President Construction

Kenneth R. Lusk, C.A.
Vice-President
Finance & Planning

Cyrus Motahedin
Vice-President
Marketing Division

Thomas W. Payton
Vice-President
Corporate Finance

Peter B. Perrin
Vice-President

David Ptak, P.Eng.
Vice-President Construction

Iain M. Rankin
Vice-President
Shopping Centre Division

Edward S. Tyityan, P.Eng.
Vice-President
Commercial Construction

Ivan T. Wiseman
Vice-President
Marketing Administration

Charles Simon, B.A., LL.B.
General Counsel and Secretary

U.S. Operations

Bramalea California, Inc.
Suite G-1
3151 Airway Avenue
Costa Mesa, California 92626
(714) 850-1001

Peter B. Perrin
President

Janay Kruger
Vice-President

Phillip M. Vaught
Vice-President Construction

Bramalea Colorado
Suite 845
3773 Cherry Creek Drive N.
Denver, Colorado 80209
(303) 377-7700

James W. Dumont
Vice-President Operations

Anthony W. Skillbeck
Vice-President Project Coordination

Bramalea Florida
Suite 215
7100 W. Camino Real
Boca Raton, Florida 33433
(305) 368-8110

Gordon L. Deson, P.Eng.
Vice-President

Bramalea Houston
Suite 300
5850 San Felipe
Houston, Texas 77057
(713) 878-7800

Harold R. Still
Executive Vice-President

William J. Kane
Vice-President Marketing

Robert A. Knerr
Vice-President Operations

Bramalea Oakland
Suite 925
1333 Broadway
Oakland, California 94612
(415) 444-7788

William A. Bodrug, M.B.A.
Vice-President

Bramalea Texas
Suite 800
1 Main Place
Dallas, Texas 75250
(214) 742-1330

Thomas F. Galvin, FAIA
President

Douglas N. Salter
Executive Vice-President

William J. Crombie, C.A.
Vice-President Finance

Robert Sharp
Vice-President

Trustee for Debentures

Canada Permanent Trust Company
Toronto, Ontario

Registrar and Transfer Agent for Stock

The Canada Trust Company
Toronto, Ontario

Stock Exchange Listing

The Toronto Stock Exchange
Toronto, Ontario

Auditors

Peat Marwick Mitchell & Co.
Toronto, Ontario

Executive Office

Bramalea Limited
1867 Yonge Street
Toronto, Ontario
Canada M4S 1Y5
(416) 487-3861

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Peter A. Graziano Limited

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