

# Company Overview September 30 2018

## Capitalization Summary

> Common Shares & OP Units	110.2 mm
> Stock Price Close on September 28, 2018	\$29.83
> Equity Market Capitalization	\$3.3 b
> Consolidated Debt <sup>1</sup>	\$1.8 b
> Total Market Capitalization	\$5.1 b

## Investment Grade Balance Sheet

> Net Debt & Preferred/EBITDA<sup>2</sup> 6.1x

	Fitch	Moody's	S&P
Rating Outlook	BBB- Positive	Baa3 Stable	BBB- Stable

## 2018 Guidance Highlights

> FFO per Share <sup>3</sup>	\$2.00–2.02
> Same-Property Cash NOI Growth	(0.15)–0%
> YE Same-Property Occupancy	92.25–92.75%
> Tenant Retention/Renewal	76–80%
> Development Investment	\$270–280 mm
> Asset Sales	None
> Acquisitions	None

## Core Portfolio<sup>4</sup>

> 159 Buildings // 17.7 million SF // 94% Leased
> 152 Buildings in Defense/IT // 15.7 million SF // 94.5% Leased
> 7 Buildings in Regional Office // 2.0 million SF // 90.1% Leased

<sup>1</sup>Includes \$8.8 mm of preferred equity.

<sup>2</sup>Please see our latest SEC filings, presentations and supplemental information package for definitions and reconciliations.

<sup>3</sup>Per Nareit.

<sup>4</sup>Core portfolio excludes two buildings in our "other" segment and our wholesale data center.

# COPT's Strategic Framework

## Goal

- > To deliver attractive total returns for shareholders

## Objective

- > To generate high quality NOI that translates into NAV per share growth

## Strategy

- > Allocate capital to durable demand locations, primarily in Defense/IT

## Tactics

- > Execute low-risk development/redevelopment opportunities
- > Maintain a strong, investment grade rated balance sheet
- > Opportunistically recycle assets to maintain high portfolio quality and/or to fund development





# COPT's Competitive Advantages

**One of the only “go-to” landlords for secured, specialized space\***

## Unique + Advantaged Land Positions

**Proximity to Demand Drivers** – We have properties and entitled land adjacent to mission-critical, knowledge-based defense installations

## Development Expertise

We are a trusted provider of secured, specialized space, with the ability to satisfy SCIF, ATFP, and other requirements

## Operating Platform

Our teams of managers have specialized skills required to handle Strategic Tenants' complex space & security-oriented needs

- > Our credentialed personnel can collaborate with the U.S. Government and defense customers – a distinct competitive advantage over non-credentialed landlords

## Track Record + Customer Relationships

25 years of operating excellence and customer service

- > As one of the few trusted landlords able to accommodate our Strategic Tenants requirements, our customers reward us with repeat business and growth opportunities

*\*Includes SCIF and ATFP buildings, and developable land*

# COPT Demand Drivers

**COPT's Defense/IT locations are aligned with defense installations whose missions remain DoD spending priorities:**

- > **ISR: Intelligence, Surveillance + Reconnaissance**
- > **Gaining military efficiencies**
- > **Missile Defense R&D**
- > **Cybersecurity + Cloud Computing**

<b>Demand Driver(s)</b>	<b>COPT Asset(s)</b>	<b>Missions</b>
Ft. Meade	NBP Arundel Preserve Columbia Gateway Airport Square	Cyber Signals Intelligence Info Assurance DoD IT Function
Redstone Arsenal	Redstone Gateway	Missile Defense, Aviation & Rocket Testing Army Materiel Command NASA Space Program & Others
Lackland AFB	USG Campus	Air Force Cyber & Others
Ft. Belvoir	Patriot Ridge	Geospatial Intelligence
NoVA Agencies	Westfields Portfolio	Intelligence Activities FBI Cyber NRO
Washington Navy Yard NAS Pax River NSWCDD Dahlgren	Navy Support Portfolio*	NAVSEA NAVAIR NAVFAC NAWCAD
MAE-East	Data Center Shells	Cloud Computing NAP

\*Maritime Plaza // Exploration & Expedition Office Parks ("Pax I")  
Wildewood Technology Park ("Pax II") // Dahlgren Technology Center







# Capital Allocation Strategy

## Defense/IT Locations

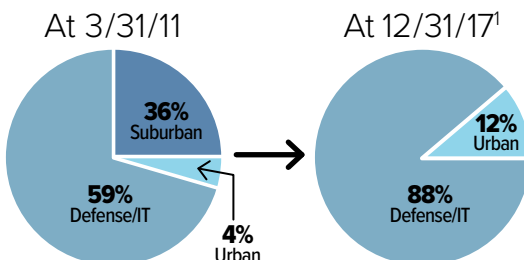
- > **88% of Core Portfolio Annualized Revenues**
- > We are the preeminent provider of real estate & services to the U.S. Government and Defense/IT contractors
  - > Parks & developable land adjacent/proximate to hi-tech and cybersecurity-oriented USG defense installations executing priority missions

## Regional Office

- > **12% of Core Portfolio Annualized Revenues**
- > We own seven Class-A office buildings in mixed-use, urban/urban-like locations
  - > Walkable amenities
  - > Vibrant and growing residential
  - > Transportation-advantaged

## Portfolio Transformation 2011–2017

- > **During seven years, we transformed our portfolio to focus on our unique Defense/IT franchise by:**
- > Selling \$1.6 billion of commodity suburban office assets (11 mm SF)
- > Developing \$1.2 billion (6 mm SF) and acquiring \$345 million (1.5 mm SF) of strategic properties



*Percentages are based on annualized rental revenues*  
<sup>1</sup>Non-strategic assets reduced to < \$8 mm at YE 2017.

# Core Portfolio by Demand Driver\*

Demand Driver	Total SF (000s)	% Leased	% Annual Core Revenue
Ft. Meade	8,110	92%	51%
NoVA Defense/IT	2,000	92%	12%
Lackland AFB	953	100%	10%
Navy Support	1,252	93%	6%
Redstone Arsenal	651	99%	3%
Data Center Shells <sup>†</sup>	2,737	100%	7%
Regional Office	2,007	90%	12%
<b>CORE Portfolio</b>	<b>17,710</b>	<b>94%</b>	

\*As of September 30, 2018

<sup>†</sup>Building count and SF reflect 100% of six joint ventured data centers; revenues reflect COPT's 50% share.



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PROPERTIES TRUST

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