
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported) **October 25, 2013**

**CORPORATE OFFICE PROPERTIES TRUST
CORPORATE OFFICE PROPERTIES, L.P.**

(Exact name of registrant as specified in its charter)

Corporate Office Properties Trust

Maryland

1-14023

23-2947217

(State or other jurisdiction of
incorporation or organization)

(Commission File
Number)

(IRS Employer
Identification No.)

Corporate Office Properties, L.P.

Delaware

333-189188

23-2930022

(State or other jurisdiction of
incorporation or organization)

(Commission File
Number)

(IRS Employer
Identification No.)

**6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046**

(Address of principal executive offices)

(443) 285-5400

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 2.02. Results of Operations and Financial Condition

On October 25, 2013, Corporate Office Properties Trust (the “Registrant”) issued a press release relating to its financial results for the three and nine months ended September 30, 2013 and, in connection with this release, is making available certain supplemental information pertaining to its properties and operations as of and for the period ended September 30, 2013. The earnings release and supplemental information are included as Exhibit 99.1 to this report and are incorporated herein by reference.

The information included herein, including the exhibits, shall not be deemed “filed” for any purpose, including the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or subject to liabilities of that Section. The information included herein, including the exhibits, shall also not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired

None

(b) Pro Forma Financial Information

None

(c) Shell Company Transactions

None

(d) Exhibits

Exhibit Number

Exhibit Title

99.1

Corporate Office Properties Trust earnings release and supplemental information for the period ended September 30, 2013, including the press release dated October 25, 2013

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CORPORATE OFFICE PROPERTIES TRUST

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust,
its General Partner

/s/ Stephen E. Riffie

Stephen E. Riffie
Executive Vice President and Chief Financial Officer

/s/ Stephen E. Riffie

Stephen E. Riffie
Executive Vice President and Chief Financial Officer

Dated: October 25, 2013

Dated: October 25, 2013

EXHIBIT INDEX

Exhibit Number

Exhibit Title

99.1

Corporate Office Properties Trust earnings release and supplemental information for the period ended September 30, 2013, including the press release dated October 25, 2013



Earnings Release & Supplemental Information — Unaudited
September 30, 2013

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Please refer to the section entitled “Definitions” for definitions of non-GAAP measures and other terms we use herein that may not be customary or commonly known.



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NEWS RELEASE

FOR IMMEDIATE RELEASE

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COPT REPORTS THIRD QUARTER 2013 RESULTS

COLUMBIA, MD October 25, 2013 - Corporate Office Properties Trust (“COPT” or the “Company”) (NYSE: OFC) announced financial and operating results for the third quarter ended September 30, 2013.

“Driven by strong NOI margins, third quarter results were at the high end of our expectations. We are increasing our prior guidance range for the fourth quarter and full year,” stated Roger A. Waesche, Jr., COPT’s President & Chief Executive Officer. “Looking ahead, we expect stable performance from our current same office portfolio in 2014 and anticipate that our development pipeline and property dispositions will add tremendous value for investors,” he added.

Results:

For the quarter ended September 30, 2013, the Company reported a diluted earnings per share (“EPS”) loss of \$0.09 as compared to an EPS loss of \$0.39 in the third quarter of 2012. Diluted funds from operations per share (“FFOPS”), as adjusted for comparability, was \$0.49 for the third quarter ended September 30, 2013 as compared to \$0.53 reported for the third quarter of 2012. The 7.5% year-over-year decrease reflects the Company’s successful portfolio repositioning and de-leveraging. Adjustments for comparability encompass items such as acquisition costs, impairment losses and gains on non-operating properties, gains (losses) on early extinguishment of debt, derivative losses and write-offs of original issuance costs for redeemed preferred stock. Please refer to the reconciliation tables that appear later in this press release. Per NAREIT’s definition, FFOPS for the third quarter of 2013 was \$0.48 versus \$0.52 reported in the third quarter of 2012.

Operating Performance:

Portfolio Summary - At September 30, 2013, the Company’s consolidated portfolio of 210 operating office properties totaled 19.2 million square feet. The weighted average remaining lease term for the portfolio was 4.3 years and the average rental rate (including tenant reimbursements) was \$28.26 per square foot. The Company’s consolidated portfolio was 88.5% occupied and 89.7% leased as of September 30, 2013.

Same Office Performance - The Company’s same office portfolio excludes properties identified for eventual disposition, including those in its Strategic Reallocation Plan. For the quarter ended September 30, 2013, COPT’s same office portfolio represents 76% of the rentable square feet of the portfolio and consists of 165 properties.

For the third quarter ended September 30, 2013, the Company’s same office property cash NOI, excluding gross lease termination fees, increased 2.4% as compared to the third quarter of 2012. The Company’s same office portfolio was 90.3% occupied and 91.5% leased as of September 30, 2013.

Leasing - COPT completed a total of 898,000 square feet of leasing for the quarter ended September 30, 2013. During this same period, the Company's renewal rate was 72%. Consistent with expectations, for the quarter ended September 30, 2013, total rent on renewed space increased 4.4% on a GAAP basis and decreased 2.6% on a cash basis.

Investment Activity:

At September 30, 2013, the Company had nine properties totaling 1.3 million square feet under construction for a total projected cost of \$234.0 million, of which \$134.4 million had been incurred. As of the same date, COPT had 235,000 square feet in two properties under redevelopment for a total projected cost of \$44.2 million, of which \$30.5 million has been incurred. As of September 30, 2013, the Company's nine properties under construction, on average, were 88% pre-leased, and its redevelopment properties were 51% pre-leased.

Balance Sheet and Capital Transactions:

As of September 30, 2013, the Company's debt to adjusted book ratio was 46.6% and its fixed charge coverage ratio was 2.9x for the three months then ended. Also, the Company's weighted average interest rate was 4.2% for the quarter ended September 30, 2013 and 90% of the Company's debt was subject to fixed interest rates, including the effect of interest rate swaps.

In early July, the Company issued 1.5 million shares of common stock through its at-the-market (ATM) stock offering program. The average price per share was \$26.05 and the net proceeds were \$38.5 million.

During the quarter, the Company amended the terms of its \$800 million line of credit to extend the maturity date from September 1, 2014, to July 14, 2017 plus a one-year extension option; and lowered the interest rate spread over 30-day LIBOR to 130 basis points. The Company also amended the terms of its \$300 million and \$250 million term loan agreements to grant additional extension options and lower the interest spread over LIBOR.

The Company also completed a registered exchange offer to exchange any and all of its outstanding 3.6% Senior Notes due 2023, which were issued in a private placement for an equal principal amount of new 3.6% Senior Notes due 2023 that have been registered under the Securities Act of 1933.

In September, the Company priced an offering of \$250 million aggregate principal amount of 5.25% senior unsecured notes due February 15, 2024 at a price equal to 98.783% of the principal amount.

2013 FFO Guidance:

Management is increasing its previous guidance for the fourth quarter and full year 2013 FFOPS, as adjusted for comparability, from prior ranges of between \$0.45-\$0.48 and \$1.92-\$1.97, respectively, to new ranges of between \$0.47-\$0.49 and \$1.96-\$1.98. A reconciliation of projected diluted EPS to projected FFOPS for the quarter ending and the year ending December 31, 2013 is provided, as follows:

| | Quarter Ending December 31, 2013 | | Year Ending December 31, 2013 | |
|---|-------------------------------------|---------|----------------------------------|---------|
| | Low | High | Low | High |
| EPS | \$ 0.14 | \$ 0.16 | \$ (0.01) | \$ 0.01 |
| Real estate depreciation and amortization | 0.33 | 0.33 | 1.31 | 1.31 |
| Impairments and exit costs on previously depreciated properties | — | — | 0.35 | 0.35 |
| FFOPS, NAREIT definition | 0.47 | 0.49 | 1.65 | 1.67 |
| Net losses on early extinguishment of debt | — | — | 0.31 | 0.31 |
| Gains on sales of non-operating properties | — | — | (0.03) | (0.03) |
| Issuance costs of redeemed preferred shares | — | — | 0.03 | 0.03 |
| FFOPS, as adjusted for comparability | \$ 0.47 | \$ 0.49 | \$ 1.96 | \$ 1.98 |

Conference Call Information:

Management will discuss third quarter 2013 earnings results, as well as its 2013 guidance, on its conference call on October 25, 2013 at 12:00 p.m. Eastern Time, details of which are listed below:

Earnings Release Date: Friday, October 25, 2013 at 6:00 a.m. Eastern Time

Conference Call Date: Friday, October 25, 2013

Time: 12:00 p.m. Eastern Time

Telephone Number: (within the U.S.) 888-679-8018

Telephone Number: (outside the U.S.) 617-213-4845

Passcode: 31730330

Please use the following link to pre-register and view important information about this conference call. Pre-registering is not mandatory but is recommended as it will provide you immediate entry into the call and will facilitate the timely start of the conference. Pre-registration only takes a few moments and you may pre-register at anytime, including up to and after the call start time. To pre-register, please click on the below link:

<https://www.theconferencingservice.com/prereg/key.process?key=PXHEGMLBC>

You may also pre-register in the Investor Relations section of the Company's website at www.copt.com. Alternatively, you may be placed into the call by an operator by calling the number provided above at least 5 to 10 minutes before the start of the call.

A replay of this call will be available beginning Friday, October 25 at 1:00 p.m. Eastern Time through Friday, November 8 at midnight Eastern Time. To access the replay within the United States, please call 888-286-8010 and use passcode 16654891. To access the replay outside the United States, please call 617-801-6888 and use passcode 16654891.

The conference calls will also be available via live webcast in the Investor Relations section of the Company's website at www.copt.com. A replay of the conference calls will be immediately available via webcast in the Investor Relations section of the Company's website.

Definitions:

For definitions of certain terms used in this press release, please refer to the information furnished in our Supplemental Information Package filed as a Form 8-K which can be found on our website (www.copt.com). Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in the attached tables.

Company Information

COPT is an office REIT that focuses primarily on serving the specialized requirements of U.S. Government agencies and defense contractors, most of whom are engaged in defense information technology and national security-related activities. The Company generally acquires, develops, manages and leases office and data center properties concentrated in large office parks primarily located near knowledge-based government demand drivers and/or in targeted markets or submarkets in the Greater Washington, DC/Baltimore region. As of September 30, 2013, the Company's consolidated portfolio consisted of 210 office properties totaling 19.2 million rentable square feet. COPT is an S&P MidCap 400 company.

Forward-Looking Information

This press release may contain “forward-looking” statements, as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, that are based on the Company’s current expectations, estimates and projections about future events and financial trends affecting the Company. Forward-looking statements can be identified by the use of words such as “may,” “will,” “should,” “could,” “believe,” “anticipate,” “expect,” “estimate,” “plan” or other comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Accordingly, the Company can give no assurance that these expectations, estimates and projections will be achieved. Future events and actual results may differ materially from those discussed in the forward-looking statements.

Important factors that may affect these expectations, estimates, and projections include, but are not limited to:

- * general economic and business conditions, which will, among other things, affect office property and data center demand and rents, tenant creditworthiness, interest rates, financing availability and property values;*
- * adverse changes in the real estate markets including, among other things, increased competition with other companies;*
- * governmental actions and initiatives, including risks associated with the impact of a government shutdown or budgetary reductions or impasses, such as a reduction in rental revenues, non-renewal of leases, and/or a curtailment of demand for additional space by the Company’s strategic customers;*
- * the Company’s ability to borrow on favorable terms;*
- * risks of real estate acquisition and development activities, including, among other things, risks that development projects may not be completed on schedule, that tenants may not take occupancy or pay rent or that development or operating costs may be greater than anticipated;*
- * the Company’s ability to sell properties included in its Strategic Reallocation Plan;*
- * risks of investing through joint venture structures, including risks that the Company’s joint venture partners may not fulfill their financial obligations as investors or may take actions that are inconsistent with the Company’s objectives;*
- * changes in the Company’s plans for properties or views of market economic conditions or failure to obtain development rights, either of which could result in recognition of significant impairment losses;*
- * the Company’s ability to satisfy and operate effectively under Federal income tax rules relating to real estate investment trusts and partnerships;*
- * the Company’s ability to achieve projected results;*
- * the dilutive effects of issuing additional common shares; and*
- * environmental requirements.*

The Company undertakes no obligation to update or supplement any forward-looking statements. For further information, please refer to the Company’s filings with the Securities and Exchange Commission, particularly the section entitled “Risk Factors” in Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2012.

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(in thousands, except per share data)

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|--------------------|--|--------------------|
| | 2013 | 2012 | 2013 | 2012 |
| Revenues | | | | |
| Real estate revenues | \$ 119,040 | \$ 114,362 | \$ 355,127 | \$ 335,231 |
| Construction contract and other service revenues | 16,991 | 15,283 | 52,048 | 53,812 |
| Total revenues | <u>136,031</u> | <u>129,645</u> | <u>407,175</u> | <u>389,043</u> |
| Expenses | | | | |
| Property operating expenses | 43,482 | 41,474 | 129,409 | 122,102 |
| Depreciation and amortization associated with real estate operations | 29,210 | 28,604 | 86,239 | 84,633 |
| Construction contract and other service expenses | 16,306 | 14,410 | 49,165 | 51,302 |
| Impairment losses | 16,300 | 46,096 | 16,300 | 41,260 |
| General and administrative expenses | 6,237 | 5,062 | 17,213 | 20,531 |
| Leasing expenses | 1,790 | 1,315 | 5,217 | 4,266 |
| Business development expenses and land carry costs | 1,383 | 1,632 | 4,069 | 4,506 |
| Total operating expenses | <u>114,708</u> | <u>138,593</u> | <u>307,612</u> | <u>328,600</u> |
| Operating income (loss) | 21,323 | (8,948) | 99,563 | 60,443 |
| Interest expense | (21,242) | (23,239) | (66,851) | (71,909) |
| Interest and other (loss) income | (3) | 1,095 | 2,949 | 3,152 |
| Loss on early extinguishment of debt | (374) | (768) | (27,028) | (937) |
| (Loss) income from continuing operations before equity in income (loss) of unconsolidated entities and income taxes | (296) | (31,860) | 8,633 | (9,251) |
| Equity in income (loss) of unconsolidated entities | 44 | (246) | 211 | (522) |
| Income tax expense | (24) | (106) | (61) | (327) |
| (Loss) income from continuing operations | (276) | (32,212) | 8,783 | (10,100) |
| Discontinued operations | (1,724) | 11,447 | (2,594) | 11,410 |
| (Loss) income before gain on sales of real estate | (2,000) | (20,765) | 6,189 | 1,310 |
| Gain on sales of real estate, net of income taxes | — | — | 2,683 | 21 |
| Net (loss) income | (2,000) | (20,765) | 8,872 | 1,331 |
| Net loss (income) attributable to noncontrolling interests | | | | |
| Common units in the Operating Partnership | 232 | 1,533 | 474 | 738 |
| Preferred units in the Operating Partnership | (165) | (165) | (495) | (495) |
| Other consolidated entities | (1,031) | 235 | (2,160) | 864 |
| Net (loss) income attributable to COPT | (2,964) | (19,162) | 6,691 | 2,438 |
| Preferred share dividends | (4,490) | (6,546) | (15,481) | (14,738) |
| Issuance costs associated with redeemed preferred shares | — | (1,827) | (2,904) | (1,827) |
| Net loss attributable to COPT common shareholders | <u>\$ (7,454)</u> | <u>\$ (27,535)</u> | <u>\$ (11,694)</u> | <u>\$ (14,127)</u> |
| Earnings per share ("EPS") computation: | | | | |
| Numerator for diluted EPS: | | | | |
| Net (loss) income attributable to common shareholders | \$ (7,454) | \$ (27,535) | \$ (11,694) | \$ (14,127) |
| Amount allocable to restricted shares | (97) | (111) | (317) | (357) |
| Numerator for diluted EPS | <u>\$ (7,551)</u> | <u>\$ (27,646)</u> | <u>\$ (12,011)</u> | <u>\$ (14,484)</u> |
| Denominator: | | | | |
| Weighted average common shares - basic and diluted | 86,760 | 71,688 | 84,547 | 71,590 |
| Diluted EPS | <u>\$ (0.09)</u> | <u>\$ (0.39)</u> | <u>\$ (0.14)</u> | <u>\$ (0.20)</u> |

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(in thousands, except per share data)

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|-------------|--|------------|
| | 2013 | 2012 | 2013 | 2012 |
| Net (loss) income | \$ (2,000) | \$ (20,765) | \$ 8,872 | \$ 1,331 |
| Real estate-related depreciation and amortization | 29,210 | 30,624 | 86,397 | 93,377 |
| Impairment losses on previously depreciated operating properties | 22,074 | 55,829 | 31,126 | 70,016 |
| Gain on sales of previously depreciated operating properties | — | (16,913) | — | (20,936) |
| Depreciation and amortization on unconsolidated real estate entities | — | 113 | — | 346 |
| Funds from operations (“FFO”) | 49,284 | 48,888 | 126,395 | 144,134 |
| Noncontrolling interests - preferred units in the Operating Partnership | (165) | (165) | (495) | (495) |
| FFO allocable to other noncontrolling interests | (833) | (571) | (2,830) | (1,251) |
| Preferred share dividends | (4,490) | (6,546) | (15,481) | (14,738) |
| Issuance costs associated with redeemed preferred shares | — | (1,827) | (2,904) | (1,827) |
| Basic and diluted FFO allocable to restricted shares | (178) | (214) | (450) | (728) |
| Basic and diluted FFO available to common share and common unit holders (“Basic and diluted FFO”) | 43,618 | 39,565 | 104,235 | 125,095 |
| Operating property acquisition costs | — | 222 | — | 229 |
| Gain on sales of non-operating properties | — | — | (2,683) | (33) |
| Impairment recoveries on non-operating properties | — | — | — | (5,246) |
| Income tax expense on impairment recoveries on non-operating properties | — | — | — | 673 |
| Loss (gain) on early extinguishment of debt | 374 | (970) | 27,028 | (799) |
| Issuance costs associated with redeemed preferred shares | — | 1,827 | 2,904 | 1,827 |
| Diluted FFO available to common share and common unit holders, as adjusted for comparability | 43,992 | 40,644 | 131,484 | 121,746 |
| Straight line rent adjustments | (980) | (2,595) | (6,824) | (6,631) |
| Amortization of intangibles included in net operating income | 230 | 251 | 579 | 659 |
| Share-based compensation, net of amounts capitalized | 1,573 | 1,703 | 4,869 | 8,262 |
| Amortization of deferred financing costs | 1,321 | 1,527 | 4,292 | 4,696 |
| Amortization of net debt discounts, net of amounts capitalized | (121) | 683 | 1,063 | 2,028 |
| Amortization of settled debt hedges | 16 | 15 | 46 | 46 |
| Recurring capital expenditures | (10,528) | (8,518) | (21,698) | (16,467) |
| Diluted adjusted funds from operations available to common share and common unit holders (“Diluted AFFO”) | \$ 35,503 | \$ 33,710 | \$ 113,811 | \$ 114,339 |
| Diluted FFO per share | \$ 0.48 | \$ 0.52 | \$ 1.18 | \$ 1.65 |
| Diluted FFO per share, as adjusted for comparability | \$ 0.49 | \$ 0.53 | \$ 1.49 | \$ 1.60 |
| Dividends/distributions per common share/unit | \$ 0.2750 | \$ 0.2750 | \$ 0.8250 | \$ 0.8250 |

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(Dollars and shares in thousands, except per share data)

| | September 30, 2013 | December 31, 2012 |
|---|-----------------------|----------------------|
| Balance Sheet Data | | |
| Properties, net of accumulated depreciation | \$ 3,239,746 | \$ 3,163,044 |
| Total assets | 3,755,588 | 3,653,759 |
| Debt, net | 2,135,031 | 2,019,168 |
| Total liabilities | 2,304,732 | 2,206,962 |
| Redeemable noncontrolling interest | 16,789 | 10,298 |
| Equity | 1,434,067 | 1,436,499 |
| Debt to adjusted book | 46.6% | 45.8% |
| Debt to total market capitalization | 47.4% | 45.0% |

| | | |
|--|--------|--------|
| Consolidated Property Data (as of period end) | | |
| Number of operating properties | 210 | 208 |
| Total net rentable square feet owned (in thousands) | 19,204 | 18,831 |
| Occupancy % | 88.5% | 87.8% |
| Leased % | 89.7% | 89.2% |

| | | |
|---|---------------------|---------------------|
| Reconciliation of total assets to denominator for debt to adjusted book | | |
| Total assets | \$ 3,755,588 | \$ 3,653,759 |
| Accumulated depreciation | 612,369 | 555,975 |
| Accumulated depreciation included in assets held for sale | 8,845 | 12,201 |
| Accumulated amortization of real estate intangibles and deferred leasing costs | 195,559 | 181,834 |
| Accumulated amortization of real estate intangibles and deferred leasing costs included in assets held for sale | 9,224 | 9,199 |
| Denominator for debt to adjusted book | <u>\$ 4,581,585</u> | <u>\$ 4,412,968</u> |

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|-------|--|-------|
| | 2013 | 2012 | 2013 | 2012 |
| Payout ratios | | | | |
| Diluted FFO | 57.6% | 53.1% | 71.4% | 50.3% |
| Diluted FFO, as adjusted for comparability | 57.1% | 51.7% | 56.6% | 51.7% |
| Diluted AFFO | 70.7% | 62.3% | 65.4% | 55.1% |
| Adjusted EBITDA interest coverage ratio | 3.6x | 3.4x | 3.6x | 3.2x |
| Adjusted EBITDA fixed charge coverage ratio | 2.9x | 2.6x | 2.8x | 2.6x |
| Debt to Adjusted EBITDA ratio (1) | 7.4x | 7.5x | 7.3x | 7.6x |

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Reconciliation of denominators for diluted EPS and diluted FFO per share | | | | |
| Denominator for diluted EPS | 86,760 | 71,688 | 84,547 | 71,590 |
| Weighted average common units | 3,804 | 4,233 | 3,832 | 4,256 |
| Anti-dilutive EPS effect of share-based compensation awards | 45 | 73 | 63 | 48 |
| Denominator for diluted FFO per share | <u>90,609</u> | <u>75,994</u> | <u>88,442</u> | <u>75,894</u> |

| | | | | |
|---|------------------|------------------|-------------------|-------------------|
| Reconciliation of FFO to FFO, as adjusted for comparability | | | | |
| FFO, per NAREIT | \$ 49,284 | \$ 48,888 | \$ 126,395 | \$ 144,134 |
| Gain on sales of non-operating properties | — | — | (2,683) | (33) |
| Impairment recoveries on non-operating properties, net of associated tax | — | — | — | (4,573) |
| Operating property acquisition costs | — | 222 | — | 229 |
| Loss (gain) on early extinguishment of debt, continuing and discontinued operations | 374 | (970) | 27,028 | (799) |
| Issuance costs associated with redeemed preferred shares | — | 1,827 | 2,904 | 1,827 |
| FFO, as adjusted for comparability | <u>\$ 49,658</u> | <u>\$ 49,967</u> | <u>\$ 153,644</u> | <u>\$ 140,785</u> |

(1) Represents debt as of period end divided by Adjusted EBITDA for the period, as annualized (i.e. three month periods are multiplied by four).

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(Dollars in thousands)

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|--|---|------------------|--|-------------------|
| | 2013 | 2012 | 2013 | 2012 |
| Reconciliation of common share dividends to dividends and distributions for payout ratios | | | | |
| Common share dividends | \$ 24,022 | \$ 19,837 | \$ 71,220 | \$ 59,465 |
| Common unit distributions | 1,094 | 1,157 | 3,186 | 3,498 |
| Dividends and distributions for payout ratios | <u>\$ 25,116</u> | <u>\$ 20,994</u> | <u>\$ 74,406</u> | <u>\$ 62,963</u> |
| Reconciliation of GAAP net (loss) income to adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA") | | | | |
| Net (loss) income | \$ (2,000) | \$ (20,765) | \$ 8,872 | \$ 1,331 |
| Interest expense on continuing operations | 21,242 | 23,239 | 66,851 | 71,909 |
| Interest expense on discontinued operations | 68 | 127 | 199 | 2,107 |
| Income tax expense | 24 | 106 | 61 | 327 |
| Real estate-related depreciation and amortization | 29,210 | 30,624 | 86,397 | 93,377 |
| Depreciation of furniture, fixtures and equipment | 502 | 624 | 1,559 | 1,871 |
| Impairment losses | 22,074 | 55,829 | 31,126 | 64,770 |
| Loss (gain) on early extinguishment of debt on continuing and discontinued operations | 374 | (970) | 27,028 | (799) |
| Gain on sales of operating properties | — | (16,913) | — | (20,936) |
| Gain on sales of non-operational properties | — | — | (2,683) | (33) |
| Net loss (gain) on investments in unconsolidated entities included in interest and other income | 1,006 | (81) | (15) | (597) |
| Operating property acquisition costs | — | 222 | — | 229 |
| Adjusted EBITDA | <u>\$ 72,500</u> | <u>\$ 72,042</u> | <u>\$ 219,395</u> | <u>\$ 213,556</u> |
| Reconciliation of interest expense from continuing operations to the denominators for interest coverage-Adjusted EBITDA and fixed charge coverage-Adjusted EBITDA | | | | |
| Interest expense from continuing operations | \$ 21,242 | \$ 23,239 | \$ 66,851 | \$ 71,909 |
| Interest expense from discontinued operations | 68 | 127 | 199 | 2,107 |
| Less: Amortization of deferred financing costs | (1,321) | (1,527) | (4,292) | (4,696) |
| Less: Amortization of net debt discount, net of amounts capitalized | 121 | (683) | (1,063) | (2,028) |
| Denominator for interest coverage-Adjusted EBITDA | <u>20,110</u> | <u>21,156</u> | <u>61,695</u> | <u>67,292</u> |
| Preferred share dividends | 4,490 | 6,546 | 15,481 | 14,738 |
| Preferred unit distributions | 165 | 165 | 495 | 495 |
| Denominator for fixed charge coverage-Adjusted EBITDA | <u>\$ 24,765</u> | <u>\$ 27,867</u> | <u>\$ 77,671</u> | <u>\$ 82,525</u> |

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(Dollars in thousands)

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|------------------|--|-------------------|
| | 2013 | 2012 | 2013 | 2012 |
| Reconciliations of tenant improvements and incentives, capital improvements and leasing costs for operating properties to recurring capital expenditures | | | | |
| Tenant improvements and incentives on operating properties | \$ 4,894 | \$ 7,774 | \$ 10,983 | \$ 11,103 |
| Building improvements on operating properties | 4,857 | 4,646 | 8,995 | 6,813 |
| Leasing costs for operating properties | 2,260 | 947 | 5,114 | 5,109 |
| Less: Nonrecurring tenant improvements and incentives on operating properties | (230) | (3,852) | (238) | (4,510) |
| Less: Nonrecurring building improvements on operating properties | (1,266) | (940) | (3,113) | (1,919) |
| Less: Nonrecurring leasing costs for operating properties | 14 | (130) | (36) | (209) |
| Add: Recurring capital expenditures on operating properties held through joint ventures | (1) | 73 | (7) | 80 |
| Recurring capital expenditures | <u>\$ 10,528</u> | <u>\$ 8,518</u> | <u>\$ 21,698</u> | <u>\$ 16,467</u> |
| Reconciliation of same office property net operating income to same office property cash net operating income and same office property cash net operating income, excluding gross lease termination fees | | | | |
| Same office property net operating income | \$ 64,601 | \$ 63,968 | \$ 193,324 | \$ 189,762 |
| Less: Straight-line rent adjustments | (1,029) | (1,584) | (3,149) | (4,992) |
| Less: Amortization of deferred market rental revenue | 22 | (17) | (43) | (95) |
| Add: Amortization of above-market cost arrangements | 320 | 371 | 958 | 1,095 |
| Same office property cash net operating income | <u>63,914</u> | <u>62,738</u> | <u>191,090</u> | <u>185,770</u> |
| Less: Lease termination fees, gross | (306) | (636) | (1,280) | (1,507) |
| Same office property cash net operating income, excluding gross lease termination fees | <u>\$ 63,608</u> | <u>\$ 62,102</u> | <u>\$ 189,810</u> | <u>\$ 184,263</u> |

Corporate Office Properties Trust
Summary Description

The Company: Corporate Office Properties Trust (the “Company” or “COPT”) is a self-managed office real estate investment trust (“REIT”). COPT is listed on the New York Stock Exchange under the symbol “OFC” and is a S&P MidCap 400 Company. As of September 30, 2013, COPT derived 64% of its annualized revenue from its strategic tenant niche properties and 21% from its regional office properties. COPT’s strategic tenant niche properties are those held for long-term investment that are either located near defense installations and other knowledge-based government demand drivers, or otherwise occupied primarily by U.S. Government agencies and defense contractors. COPT’s regional office properties are those held for long-term investment predominantly in the Greater Washington, DC/Baltimore region, excluding Strategic Tenant Niche Properties. As of September 30, 2013, COPT’s operating portfolio of 210 office properties encompassed 19.2 million square feet and was 89.7% leased. As of the same date, COPT also owned one wholesale data center that was 70% leased.

Corporate Strategy: COPT’s customer strategy focuses on serving the specialized requirements of United States Government agencies and defense contractors, most of whom are engaged in defense information technology and national security related activities. These tenants’ missions generally pertain more to knowledge-based activities (such as cyber security, research and development and other highly technical defense and security areas) than to force structure (troops) and weapon system production. In order to support this customer strategy, COPT focuses on owning properties located near defense installations and other knowledge-based government demand drivers. COPT also focuses on owning properties in targeted markets or submarkets in the Greater Washington, DC/Baltimore region with strong growth attributes.

Management:

Roger A. Waesche, Jr., President & CEO
Stephen E. Budorick, EVP & COO
Wayne H. Lingafelter, EVP, Development & Construction
Stephen E. Riffée, EVP & CFO

Investor Relations:

Stephanie M. Krewson, VP of IR
443-285-5453, stephanie.krewson@copt.com
Michelle Layne, Manager of IR
443-285-5452, michelle.layne@copt.com

Corporate Credit Rating: BBB- (Fitch), Baa3 (Moody’s), and BBB- (S&P); All Stable Outlook

Disclosure Statement: This supplemental package contains forward-looking statements within the meaning of the Federal securities laws. Forward-looking statements can be identified by the use of words such as “may,” “will,” “should,” “could,” “believe,” “anticipate,” “expect,” “estimate,” “plan” or other comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which we cannot predict with accuracy and some of which we might not even anticipate. Although we believe that the expectations, estimates and projections reflected in such forward-looking statements are based on reasonable assumptions at the time made, we can give no assurance that these expectations, estimates and projections will be achieved. Future events and actual results may differ materially from those discussed in the forward-looking statements. Important factors that may affect these expectations, estimates and projections include, but are not limited to: general economic and business conditions, which will, among other things, affect office property and data center demand and rents, tenant creditworthiness, interest rates, financing availability and property values; adverse changes in the real estate markets, including, among other things, increased competition with other companies; governmental actions and initiatives, including risks associated with the impact of a government shutdown or budgetary reductions or impasses, such as a reduction in rental revenues, non-renewal of leases and/or a curtailment of demand for additional space by our strategic customers; our ability to borrow on favorable terms; risks of real estate acquisition and development activities, including, among other things, risks that development projects may not be completed on schedule, that tenants may not take occupancy or pay rent or that development or operating costs may be greater than anticipated; our ability to sell properties included in our Strategic Reallocation Plan; risks of investing through joint venture structures, including risks that our joint venture partners may not fulfill their financial obligations as investors or may take actions that are inconsistent with our objectives; changes in our plans for properties or views of market economic conditions or failure to obtain development rights, either of which could result in recognition of impairment losses; our ability to satisfy and operate effectively under Federal income tax rules relating to real estate investment trusts and partnerships; the dilutive effects of issuing additional common shares; our ability to achieve projected results; and environmental requirements. We undertake no obligation to update or supplement any forward-looking statements. For further information, please refer to our filings with the Securities and Exchange Commission, particularly the section entitled “Risk Factors” in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2012.

Corporate Office Properties Trust
Equity Research Coverage

| Firm | Senior Analyst | Phone | Email |
|----------------------------------|------------------|--------------|-------------------------------|
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| BMO Capital Markets | Richard Anderson | 212-885-4180 | richard.anderson@bmo.com |
| Citigroup Global Markets | Josh Attie | 212-816-7685 | joshua.attie@citi.com |
| Cowen and Company | Jim Sullivan | 646-562-1380 | james.sullivan@cowen.com |
| Evercore Partners | Sheila McGrath | 212-497-0882 | sheila.mcgrath@evercore.com |
| Green Street Advisors | Michael Knott | 949-640-8780 | mknott@greestreetadvisors.com |
| ISI Group | Steve Sakwa | 212-446-9462 | ssakwa@isigrp.com |
| Jefferies & Co. | Tayo Okusanya | 212-336-7076 | tokusanya@jefferies.com |
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| KeyBanc Capital Markets | Craig Mailman | 917-368-2316 | cmailman@key.com |
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| Stifel, Nicolaus & Company, Inc. | John Guinee | 443-224-1307 | jwguinee@stifel.com |
| Wells Fargo Securities | Brendan Maiorana | 443-263-6516 | brendan.maiorana@wachovia.com |

With the exception of Green Street Advisors and Macquarie Securities, the above-listed firms are those whose analysts publish research material on the Company and whose estimates of our FFO per share can be tracked through Thomson's First Call Corporation. Any opinions, estimates, or forecasts the above analysts make regarding COPT's future performance are their own and do not represent the views, estimates, or forecasts of COPT's management.

Corporate Office Properties Trust
Selected Financial Summary Data
(in thousands, except per share data)

| SUMMARY OF RESULTS | Three Months Ended | | | | | Nine Months Ended | |
|---|--------------------|--------------|--------------|--------------|--------------|-------------------|-------------|
| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 | 9/30/13 | 9/30/12 |
| Same Office NOI | \$ 64,601 | \$ 65,206 | \$ 63,517 | \$ 62,676 | \$ 63,968 | \$ 193,324 | \$ 189,762 |
| NOI from real estate operations | \$ 79,676 | \$ 80,621 | \$ 78,011 | \$ 76,122 | \$ 77,565 | \$ 238,308 | \$ 236,243 |
| Adjusted EBITDA | \$ 72,500 | \$ 75,822 | \$ 71,073 | \$ 70,178 | \$ 72,042 | \$ 219,395 | \$ 213,556 |
| Net (loss) income attributable to COPT common shareholders | \$ (7,454) | \$ (13,154) | \$ 8,914 | \$ 12,433 | \$ (27,535) | \$ (11,694) | \$ (14,127) |
| FFO - per NAREIT | \$ 49,284 | \$ 31,725 | \$ 45,386 | \$ 47,825 | \$ 48,888 | \$ 126,395 | \$ 144,134 |
| FFO - as adjusted for comparability | \$ 49,658 | \$ 55,770 | \$ 48,216 | \$ 49,724 | \$ 49,967 | \$ 153,644 | \$ 140,785 |
| Basic and diluted FFO available to common share and common unit holders | \$ 43,618 | \$ 22,412 | \$ 38,205 | \$ 40,625 | \$ 39,565 | \$ 104,235 | \$ 125,095 |
| Diluted AFFO available to common share and common unit holders | \$ 35,503 | \$ 42,417 | \$ 35,891 | \$ 15,860 | \$ 33,710 | \$ 113,811 | \$ 114,339 |
| Per share - diluted: | | | | | | | |
| EPS | \$ (0.09) | \$ (0.16) | \$ 0.11 | \$ 0.16 | \$ (0.39) | \$ (0.14) | \$ (0.20) |
| FFO - NAREIT | \$ 0.48 | \$ 0.25 | \$ 0.45 | \$ 0.49 | \$ 0.52 | \$ 1.18 | \$ 1.65 |
| FFO - as adjusted for comparability | \$ 0.49 | \$ 0.52 | \$ 0.48 | \$ 0.51 | \$ 0.53 | \$ 1.49 | \$ 1.60 |
| Dividend per common share | \$ 0.2750 | \$ 0.2750 | \$ 0.2750 | \$ 0.2750 | \$ 0.2750 | \$ 0.8250 | \$ 0.8250 |
| Payout ratios: | | | | | | | |
| Diluted FFO | 57.6% | 110.0% | 64.5% | 57.5% | 53.1% | 71.4% | 50.3% |
| Diluted FFO - as adjusted for comparability | 57.1% | 53.1% | 60.1% | 55.0% | 51.7% | 56.6% | 51.7% |
| Diluted AFFO | 70.7% | 58.1% | 68.7% | 147.4% | 62.3% | 65.4% | 55.1% |
| Real estate operating margin | 64.0% | 64.4% | 63.9% | 62.1% | 64.0% | 64.1% | 63.8% |
| CAPITALIZATION | | | | | | | |
| Total Market Capitalization | \$ 4,503,307 | \$ 4,636,656 | \$ 4,689,907 | \$ 4,485,626 | \$ 4,342,417 | | |
| Total Equity Market Capitalization | \$ 2,368,276 | \$ 2,543,550 | \$ 2,732,547 | \$ 2,466,458 | \$ 2,173,102 | | |
| Debt, net | \$ 2,135,031 | \$ 2,093,106 | \$ 1,957,360 | \$ 2,019,168 | \$ 2,169,315 | | |
| Debt to Total Market Capitalization | 47.4% | 45.1% | 41.7% | 45.0% | 50.0% | | |
| Debt to Adjusted Book | 46.6% | 46.4% | 43.8% | 45.8% | 49.8% | | |
| Adjusted EBITDA interest coverage ratio | 3.6 | 3.5 | 3.5 | 3.4 | 3.4 | 3.6 | 3.2 |
| Adjusted EBITDA debt service coverage ratio | 3.2 | 3.2 | 3.1 | 3.0 | 3.0 | 3.2 | 2.8 |
| Adjusted EBITDA fixed charge coverage ratio | 2.9x | 2.9x | 2.7x | 2.6x | 2.6x | 2.8x | 2.6x |
| Debt to Adjusted EBITDA ratio | 7.4x | 6.9x | 6.9x | 7.2x | 7.5x | 7.3x | 7.6x |
| OTHER | | | | | | | |
| Revenue from early termination of leases | \$ 891 | \$ 1,280 | \$ 835 | \$ 583 | \$ 543 | \$ 3,006 | \$ 1,288 |
| Capitalized interest costs | \$ 2,215 | \$ 2,088 | \$ 2,440 | \$ 3,109 | \$ 3,390 | \$ 6,743 | \$ 10,794 |

Corporate Office Properties Trust
Selected Portfolio Data

| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 |
|--|---------|---------|---------|----------|---------|
| # of Operating Office Properties | | | | | |
| Total Portfolio | 210 | 210 | 210 | 208 | 206 |
| Same Office Properties | 165 | 165 | 165 | 165 | 165 |
| % Occupied | | | | | |
| Total Portfolio | 88.5% | 88.2% | 87.6% | 87.8% | 88.1% |
| Same Office Properties | 90.3% | 90.8% | 90.3% | 89.5% | 89.0% |
| % Leased | | | | | |
| Total Portfolio | 89.7% | 90.0% | 89.3% | 89.2% | 89.9% |
| Square Feet of Office Properties (in thousands) | | | | | |
| Total Portfolio | 19,204 | 19,037 | 19,128 | 18,831 | 18,591 |
| Same Office Properties | 14,601 | 14,601 | 14,601 | 14,601 | 14,601 |
| Wholesale Data Center | | | | | |
| Initial Stabilization Critical Load (in megawatts ("MWs")) | 18 | 18 | 18 | 18 | 18 |
| MWs Operational | 9 | 9 | 9 | 6 | 6 |
| MWs Leased | 6.3 | 4.3 | 4.3 | 4 | 4 |

Corporate Office Properties Trust
Quarterly Consolidated Balance Sheets
(dollars in thousands)

| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Assets | | | | | |
| Properties, net | | | | | |
| Operating properties, net | \$ 2,713,579 | \$ 2,703,009 | \$ 2,705,335 | \$ 2,597,666 | \$ 2,487,919 |
| Construction and redevelopment in progress, including land (1) | 174,117 | 189,079 | 160,311 | 247,386 | 271,798 |
| Land held for future development and pre-construction costs (1) | 352,050 | 319,216 | 324,327 | 317,992 | 342,797 |
| Total properties, net | 3,239,746 | 3,211,304 | 3,189,973 | 3,163,044 | 3,102,514 |
| Assets held for sale | 133,984 | 136,896 | 142,404 | 140,229 | 137,815 |
| Cash and cash equivalents | 27,318 | 9,196 | 23,509 | 10,594 | 5,009 |
| Restricted cash and marketable securities | 14,698 | 19,472 | 17,040 | 21,557 | 20,926 |
| Accounts receivable, net | 17,724 | 23,751 | 10,768 | 19,247 | 15,877 |
| Deferred rent receivable | 90,104 | 89,811 | 88,716 | 85,802 | 83,156 |
| Intangible assets on real estate acquisitions, net | 64,372 | 68,046 | 72,035 | 75,879 | 81,059 |
| Deferred leasing and financing costs, net | 63,246 | 57,488 | 59,856 | 59,952 | 58,753 |
| Mortgage and other investing receivables | 40,321 | 38,966 | 38,441 | 33,396 | 40,761 |
| Prepaid expenses and other assets | 64,075 | 44,705 | 42,357 | 44,059 | 51,786 |
| Total assets | \$ 3,755,588 | \$ 3,699,635 | \$ 3,685,099 | \$ 3,653,759 | \$ 3,597,656 |
| Liabilities and equity | | | | | |
| Liabilities: | | | | | |
| Debt, net | \$ 2,135,031 | \$ 2,093,106 | \$ 1,957,360 | \$ 2,019,168 | \$ 2,169,315 |
| Accounts payable and accrued expenses | 85,291 | 84,181 | 90,645 | 97,922 | 87,390 |
| Rents received in advance and security deposits | 28,539 | 24,095 | 26,024 | 27,632 | 26,773 |
| Dividends and distributions payable | 29,077 | 28,602 | 29,947 | 28,698 | 26,954 |
| Deferred revenue associated with operating leases | 8,545 | 9,649 | 10,833 | 11,995 | 13,102 |
| Distributions received in excess of investment in unconsolidated real estate joint venture | 6,420 | 6,420 | 6,420 | 6,420 | 6,420 |
| Interest rate derivatives | 3,595 | 3,555 | 5,340 | 6,185 | 6,543 |
| Other liabilities | 8,234 | 8,169 | 7,631 | 8,942 | 10,938 |
| Total liabilities | 2,304,732 | 2,257,777 | 2,134,200 | 2,206,962 | 2,347,435 |
| Redeemable noncontrolling interest | 16,789 | 15,571 | 10,356 | 10,298 | 9,932 |
| Equity: | | | | | |
| COPT's shareholders' equity: | | | | | |
| Preferred shares at liquidation preference | 249,083 | 249,083 | 333,833 | 333,833 | 333,833 |
| Common shares | 874 | 858 | 858 | 809 | 722 |
| Additional paid-in capital | 1,812,801 | 1,772,470 | 1,772,255 | 1,653,672 | 1,451,416 |
| Cumulative distributions in excess of net income | (700,368) | (668,892) | (632,134) | (617,455) | (607,633) |
| Accumulated other comprehensive income (loss) | 2,925 | 3,631 | (4,410) | (5,435) | (5,688) |
| Total COPT's shareholders' equity | 1,365,315 | 1,357,150 | 1,470,402 | 1,365,424 | 1,172,650 |
| Noncontrolling interests in subsidiaries | | | | | |
| Common units in the Operating Partnership | 50,815 | 49,112 | 50,604 | 52,122 | 49,157 |
| Preferred units in the Operating Partnership | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 |
| Other consolidated entities | 9,137 | 11,225 | 10,737 | 10,153 | 9,682 |
| Total noncontrolling interests in subsidiaries | 68,752 | 69,137 | 70,141 | 71,075 | 67,639 |
| Total equity | 1,434,067 | 1,426,287 | 1,540,543 | 1,436,499 | 1,240,289 |
| Total liabilities, redeemable noncontrolling interest and equity | \$ 3,755,588 | \$ 3,699,635 | \$ 3,685,099 | \$ 3,653,759 | \$ 3,597,656 |

(1) Please refer to pages 23-26 for detail.

Corporate Office Properties Trust
Consolidated Statements of Operations
(in thousands, except per share data)

| | Three Months Ended | | | | | Nine Months Ended | |
|--|--------------------|--------------------|-----------------|------------------|--------------------|--------------------|--------------------|
| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 | 9/30/13 | 9/30/12 |
| Revenues | | | | | | | |
| Rental revenue | \$ 97,442 | \$ 97,266 | \$ 94,920 | \$ 94,066 | \$ 92,287 | \$289,628 | \$271,634 |
| Tenant recoveries and other real estate operations revenue | 21,598 | 22,463 | 21,438 | 22,913 | 22,075 | 65,499 | 63,597 |
| Construction contract and other service revenues | 16,991 | 20,795 | 14,262 | 20,024 | 15,283 | 52,048 | 53,812 |
| Total revenues | 136,031 | 140,524 | 130,620 | 137,003 | 129,645 | 407,175 | 389,043 |
| Expenses | | | | | | | |
| Property operating expenses | 43,482 | 43,408 | 42,519 | 44,837 | 41,474 | 129,409 | 122,102 |
| Depreciation and amortization associated with real estate operations | 29,210 | 28,866 | 28,163 | 28,468 | 28,604 | 86,239 | 84,633 |
| Construction contract and other service expenses | 16,306 | 19,382 | 13,477 | 19,274 | 14,410 | 49,165 | 51,302 |
| Impairment losses | 16,300 | — | — | 1,954 | 46,096 | 16,300 | 41,260 |
| General and administrative expenses | 6,237 | 4,992 | 5,984 | 5,740 | 5,062 | 17,213 | 20,531 |
| Leasing expenses | 1,790 | 1,591 | 1,836 | 1,363 | 1,315 | 5,217 | 4,266 |
| Business development expenses and land carry costs | 1,383 | 1,327 | 1,359 | 1,205 | 1,632 | 4,069 | 4,506 |
| Total operating expenses | 114,708 | 99,566 | 93,338 | 102,841 | 138,593 | 307,612 | 328,600 |
| Operating income (loss) | 21,323 | 40,958 | 37,282 | 34,162 | (8,948) | 99,563 | 60,443 |
| Interest expense | (21,242) | (23,302) | (22,307) | (22,715) | (23,239) | (66,851) | (71,909) |
| Interest and other (loss) income | (3) | 2,006 | 946 | 4,020 | 1,095 | 2,949 | 3,152 |
| Loss on early extinguishment of debt | (374) | (21,470) | (5,184) | (6) | (768) | (27,028) | (937) |
| (Loss) income from continuing operations before equity in income (loss) of unconsolidated entities and income taxes | (296) | (1,808) | 10,737 | 15,461 | (31,860) | 8,633 | (9,251) |
| Equity in income (loss) of unconsolidated entities | 44 | 126 | 41 | (24) | (246) | 211 | (522) |
| Income tax expense | (24) | (21) | (16) | (54) | (106) | (61) | (327) |
| (Loss) income from continuing operations | (276) | (1,703) | 10,762 | 15,383 | (32,212) | 8,783 | (10,100) |
| Discontinued operations | (1,724) | (3,031) | 2,161 | 3,627 | 11,447 | (2,594) | 11,410 |
| (Loss) income before gain on sales of real estate | (2,000) | (4,734) | 12,923 | 19,010 | (20,765) | 6,189 | 1,310 |
| Gain on sales of real estate | — | 329 | 2,354 | — | — | 2,683 | 21 |
| Net (loss) income | (2,000) | (4,405) | 15,277 | 19,010 | (20,765) | 8,872 | 1,331 |
| Net loss (income) attributable to noncontrolling interests | | | | | | | |
| Common units in the Operating Partnership | 232 | 671 | (429) | (651) | 1,533 | 474 | 738 |
| Preferred units in the Operating Partnership | (165) | (165) | (165) | (165) | (165) | (495) | (495) |
| Other consolidated entities | (1,031) | (1,466) | 337 | 345 | 235 | (2,160) | 864 |
| Net (loss) income attributable to COPT | (2,964) | (5,365) | 15,020 | 18,539 | (19,162) | 6,691 | 2,438 |
| Preferred share dividends | (4,490) | (4,885) | (6,106) | (6,106) | (6,546) | (15,481) | (14,738) |
| Issuance costs associated with redeemed preferred shares | — | (2,904) | — | — | (1,827) | (2,904) | (1,827) |
| Net (loss) income attributable to COPT common shareholders | \$ (7,454) | \$ (13,154) | \$ 8,914 | \$ 12,433 | \$ (27,535) | \$ (11,694) | \$ (14,127) |

Corporate Office Properties Trust
Consolidated Statements of Operations (continued)
(in thousands, except per share data)

| | Three Months Ended | | | | | Nine Months Ended | |
|--|-------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|
| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 | 9/30/13 | 9/30/12 |
| For diluted EPS computations: | | | | | | | |
| <u>Numerator for diluted EPS</u> | | | | | | | |
| Net (loss) income attributable to common shareholders | \$ (7,454) | \$ (13,154) | \$ 8,914 | \$ 12,433 | \$ (27,535) | \$ (11,694) | \$ (14,127) |
| Dilutive effect of common units in the Operating Partnership | — | (671) | — | — | — | — | — |
| Amount allocable to restricted shares | (97) | (102) | (118) | (112) | (111) | (317) | (357) |
| Numerator for diluted EPS | <u>\$ (7,551)</u> | <u>\$ (13,927)</u> | <u>\$ 8,796</u> | <u>\$ 12,321</u> | <u>\$ (27,646)</u> | <u>\$ (12,011)</u> | <u>\$ (14,484)</u> |
| <u>Denominator:</u> | | | | | | | |
| Weighted average common shares - basic | 86,760 | 85,425 | 81,397 | 79,004 | 71,688 | 84,547 | 71,590 |
| Dilutive effect of common units in the Operating Partnership | — | 3,801 | — | — | — | — | — |
| Dilutive effect of share-based compensation awards | — | — | 52 | 67 | — | — | — |
| Weighted average common shares - diluted | <u>86,760</u> | <u>89,226</u> | <u>81,449</u> | <u>79,071</u> | <u>71,688</u> | <u>84,547</u> | <u>71,590</u> |
| Diluted EPS | <u>\$ (0.09)</u> | <u>\$ (0.16)</u> | <u>\$ 0.11</u> | <u>\$ 0.16</u> | <u>\$ (0.39)</u> | <u>\$ (0.14)</u> | <u>\$ (0.20)</u> |

Corporate Office Properties Trust
Consolidated Statements of FFO
(in thousands, except per share data)

| | Three Months Ended | | | | Nine Months Ended | | |
|--|--------------------|------------|------------|------------|-------------------|------------|------------|
| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 | 9/30/12 | |
| NOI from real estate operations (1) | | | | | | | |
| Real estate revenues | \$ 124,561 | \$ 125,275 | \$ 122,077 | \$ 122,564 | \$ 121,264 | \$ 371,913 | \$ 370,536 |
| Real estate property operating expenses | (44,885) | (44,654) | (44,066) | (46,442) | (43,699) | (133,605) | (134,293) |
| NOI from real estate operations (1) (2) | 79,676 | 80,621 | 78,011 | 76,122 | 77,565 | 238,308 | 236,243 |
| General and administrative expenses | (6,237) | (4,992) | (5,984) | (5,740) | (5,062) | (17,213) | (20,531) |
| Leasing expenses (2) | (1,790) | (1,591) | (1,837) | (1,363) | (1,316) | (5,218) | (4,269) |
| Business development expenses and land carry costs (2) | (1,383) | (1,327) | (1,359) | (1,205) | (1,632) | (4,069) | (4,530) |
| NOI from construction contracts and other service operations | 685 | 1,413 | 785 | 750 | 873 | 2,883 | 2,510 |
| Impairment (losses) recoveries on non-operating properties | — | — | — | (1,893) | — | — | 5,246 |
| Equity in income (loss) of unconsolidated entities | 44 | 126 | 41 | (24) | (246) | 211 | (522) |
| Depreciation and amortization on unconsolidated real estate entities | — | — | — | — | 113 | — | 346 |
| Interest and other (loss) income | (3) | 2,006 | 946 | 4,020 | 1,095 | 2,949 | 3,152 |
| (Loss) gain on early extinguishment of debt (2) | (374) | (21,470) | (5,184) | (6) | 970 | (27,028) | 799 |
| Gain on sales of non-operating properties | — | 329 | 2,354 | — | — | 2,683 | 33 |
| Total interest expense (2) | (21,310) | (23,369) | (22,371) | (22,782) | (23,366) | (67,050) | (74,016) |
| Income tax expense | (24) | (21) | (16) | (54) | (106) | (61) | (327) |
| FFO - per NAREIT (1) | 49,284 | 31,725 | 45,386 | 47,825 | 48,888 | 126,395 | 144,134 |
| Preferred share dividends | (4,490) | (4,885) | (6,106) | (6,106) | (6,546) | (15,481) | (14,738) |
| Issuance costs associated with redeemed preferred shares | — | (2,904) | — | — | (1,827) | (2,904) | (1,827) |
| Noncontrolling interests - preferred units in the Operating Partnership | (165) | (165) | (165) | (165) | (165) | (495) | (495) |
| FFO allocable to other noncontrolling interests | (833) | (1,270) | (727) | (738) | (571) | (2,830) | (1,251) |
| Basic and diluted FFO allocable to restricted shares | (178) | (89) | (183) | (191) | (214) | (450) | (728) |
| Basic and diluted FFO available to common share and common unit holders (1) | 43,618 | 22,412 | 38,205 | 40,625 | 39,565 | 104,235 | 125,095 |
| Operating property acquisition costs | — | — | — | — | 222 | — | 229 |
| Gain on sales of non-operating properties, net of income taxes | — | (329) | (2,354) | — | — | (2,683) | (33) |
| Impairment losses (recoveries) on non-operating properties, net of associated tax | — | — | — | 1,893 | — | — | (4,573) |
| Loss (gain) on early extinguishment of debt (2) | 374 | 21,470 | 5,184 | 6 | (970) | 27,028 | (799) |
| Issuance costs associated with redeemed preferred shares | — | 2,904 | — | — | 1,827 | 2,904 | 1,827 |
| Diluted FFO available to common share and common unit holders, as adjusted for comparability (1) | \$ 43,992 | \$ 46,457 | \$ 41,035 | \$ 42,524 | \$ 40,644 | \$ 131,484 | \$ 121,746 |

(1) Please refer to the section entitled "Definitions" for a definition of this measure.

(2) Includes continuing and discontinued operations.

Corporate Office Properties Trust
Consolidated Statements of FFO (continued)
(in thousands, except per share data)

| | Three Months Ended | | | | Nine Months Ended | | |
|---|--------------------|------------|-----------|-----------|-------------------|------------|------------|
| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 | 9/30/12 | |
| Net (loss) income | \$ (2,000) | \$ (4,405) | \$ 15,277 | \$ 19,010 | \$ (20,765) | \$ 8,872 | \$ 1,331 |
| Real estate-related depreciation and amortization | 29,210 | 28,935 | 28,252 | 28,560 | 30,624 | 86,397 | 93,377 |
| Impairment losses on previously depreciated operating properties (1) | 22,074 | 7,195 | 1,857 | 247 | 55,829 | 31,126 | 70,016 |
| Gain on sales of previously depreciated operating properties | — | — | — | 8 | (16,913) | — | (20,936) |
| Depreciation and amortization on unconsolidated real estate entities | — | — | — | — | 113 | — | 346 |
| FFO - per NAREIT (2) | 49,284 | 31,725 | 45,386 | 47,825 | 48,888 | 126,395 | 144,134 |
| Operating property acquisition costs | — | — | — | — | 222 | — | 229 |
| Gain on sales of non-operating properties | — | (329) | (2,354) | — | — | (2,683) | (33) |
| Impairment losses (recoveries) on non-operating properties, net of associated tax | — | — | — | 1,893 | — | — | (4,573) |
| Loss (gain) on early extinguishment of debt, continuing and discontinued operations | 374 | 21,470 | 5,184 | 6 | (970) | 27,028 | (799) |
| Issuance costs associated with redeemed preferred shares | — | 2,904 | — | — | 1,827 | 2,904 | 1,827 |
| FFO - as adjusted for comparability (2) | \$ 49,658 | \$ 55,770 | \$ 48,216 | \$ 49,724 | \$ 49,967 | \$ 153,644 | \$ 140,785 |
| Weighted Average Shares for period ended: | | | | | | | |
| Common Shares Outstanding | 86,760 | 85,425 | 81,397 | 79,004 | 71,688 | 84,547 | 71,590 |
| Dilutive effect of share-based compensation awards | 45 | 96 | 52 | 67 | 73 | 63 | 48 |
| Common Units | 3,804 | 3,801 | 3,893 | 4,171 | 4,233 | 3,832 | 4,256 |
| Denominator for FFO per share - diluted | 90,609 | 89,322 | 85,342 | 83,242 | 75,994 | 88,442 | 75,894 |
| Anti-dilutive EPS effect of share-based compensation awards | (45) | (96) | — | — | (73) | (63) | (48) |
| Weighted average common units | (3,804) | — | (3,893) | (4,171) | (4,233) | (3,832) | (4,256) |
| Denominator for diluted EPS | 86,760 | 89,226 | 81,449 | 79,071 | 71,688 | 84,547 | 71,590 |

(1) Please see reconciliations on pages 32 through 34.

(2) Please refer to the section entitled "Definitions" for a definition of this measure.

Corporate Office Properties Trust
Consolidated Reconciliations of AFFO
(in thousands, except per share data)

| | Three Months Ended | | | | | Nine Months Ended | |
|---|--------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 | 9/30/13 | 9/30/12 |
| Diluted FFO available to common share and common unit holders, as adjusted for comparability | \$ 43,992 | \$ 46,457 | \$ 41,035 | \$ 42,524 | \$ 40,644 | \$ 131,484 | \$ 121,746 |
| Straight line rent adjustments (1) | (980) | (2,011) | (3,833) | (3,385) | (2,595) | (6,824) | (6,631) |
| Amortization of intangibles included in NOI | 230 | 172 | 177 | 221 | 251 | 579 | 659 |
| Share-based compensation, net of amounts capitalized | 1,573 | 1,647 | 1,649 | 1,720 | 1,703 | 4,869 | 8,262 |
| Amortization of deferred financing costs | 1,321 | 1,443 | 1,528 | 1,547 | 1,527 | 4,292 | 4,696 |
| Amortization of net debt discounts, net of amounts capitalized | (121) | 556 | 628 | 693 | 683 | 1,063 | 2,028 |
| Amortization of settled debt hedges | 16 | 15 | 15 | 16 | 15 | 46 | 46 |
| Recurring capital expenditures on properties to be held | (10,528) | (5,862) | (5,308) | (27,476) | (8,518) | (21,698) | (16,467) |
| Diluted AFFO available to common share and common unit holders ("diluted AFFO") | \$ 35,503 | \$ 42,417 | \$ 35,891 | \$ 15,860 | \$ 33,710 | \$ 113,811 | \$ 114,339 |
| Recurring capital expenditures | | | | | | | |
| Tenant improvements and incentives on operating properties | \$ 4,894 | \$ 3,798 | \$ 2,291 | \$ 10,713 | \$ 7,774 | \$ 10,983 | \$ 11,103 |
| Building improvements on operating properties | 4,857 | 2,538 | 1,600 | 18,049 | 4,646 | 8,995 | 6,813 |
| Leasing costs for operating properties | 2,260 | 1,185 | 1,669 | 1,381 | 947 | 5,114 | 5,109 |
| Less: Nonrecurring tenant improvements and incentives on operating properties | (230) | (23) | 15 | (283) | (3,852) | (238) | (4,510) |
| Less: Nonrecurring building improvements on operating properties | (1,266) | (1,580) | (267) | (2,226) | (940) | (3,113) | (1,919) |
| Less: Nonrecurring leasing costs for operating properties | 14 | (50) | — | — | (130) | (36) | (209) |
| Add: Recurring capital expenditures on operating properties held through joint ventures | (1) | (6) | — | (158) | 73 | (7) | 80 |
| Recurring capital expenditures | \$ 10,528 | \$ 5,862 | \$ 5,308 | \$ 27,476 | \$ 8,518 | \$ 21,698 | \$ 16,467 |

(1) Includes COPT's pro rata share of straight line rent adjustments from properties held through joint ventures.

Corporate Office Properties Trust
Consolidated Office Properties by Region - September 30, 2013 (2)

| Property Region and Business Park/Submarket | Operational Properties (1) | | | | Construction/Redevelopment (2) | | | |
|--|----------------------------|-------------------------|---------------|---------------|--------------------------------|--|-----------------------------|-------------------|
| | # of Properties | Operational Square Feet | Occupancy % | Leased % | # of Properties | Construction/Redevelopment Square Feet | Operational Square Feet (1) | Total Square Feet |
| Baltimore/Washington Corridor: | | | | | | | | |
| National Business Park | 27 | 3,223,141 | 99.6% | 99.6% | 2 | 264,216 | — | 264,216 |
| Columbia Gateway | 27 | 2,141,651 | 86.6% | 90.4% | 1 | 52,000 | — | 52,000 |
| Airport Square/bwtech | 25 | 1,837,100 | 75.5% | 77.2% | — | — | — | — |
| Commons/Parkway | 10 | 431,585 | 81.6% | 81.6% | — | — | — | — |
| Other | 9 | 877,779 | 99.4% | 99.4% | — | — | — | — |
| Subtotal | 98 | 8,511,256 | 90.2% | 91.5% | 3 | 316,216 | — | 316,216 |
| Northern Virginia: | | | | | | | | |
| Westfields Corporate Center | 9 | 1,433,003 | 92.3% | 94.2% | — | — | — | — |
| Patriot Ridge | 1 | 239,272 | 47.2% | 48.4% | — | — | — | — |
| Herndon, Tysons Corner and Merrifield | 9 | 1,704,601 | 88.6% | 89.6% | — | — | — | — |
| Other | — | — | —% | —% | 4 | 708,068 | — | 708,068 |
| Subtotal | 19 | 3,376,876 | 87.2% | 88.6% | 4 | 708,068 | — | 708,068 |
| San Antonio, Texas | | | | | | | | |
| Sentry Gateway | 6 | 792,454 | 100.0% | 100.0% | — | — | — | — |
| Other | 2 | 120,054 | 73.8% | 73.8% | — | — | — | — |
| Subtotal | 8 | 912,508 | 96.6% | 96.6% | — | — | — | — |
| Huntsville (3) | 2 | 258,154 | 91.0% | 91.0% | 3 | 303,923 | — | 303,923 |
| Washington, DC- Capital Riverfront (Maritime) | 2 | 360,326 | 90.9% | 90.9% | — | — | — | — |
| St. Mary's & King George Counties | 19 | 903,916 | 89.6% | 89.6% | — | — | — | — |
| Greater Baltimore: | | | | | | | | |
| White Marsh and Rt 83 Corridor | 28 | 1,287,005 | 83.6% | 84.2% | — | — | — | — |
| Canton Crossing-Baltimore City | 1 | 480,745 | 90.8% | 97.4% | — | — | — | — |
| North Gate Business Park | 3 | 284,884 | 37.9% | 37.9% | — | — | — | — |
| Subtotal | 32 | 2,052,634 | 79.0% | 80.9% | — | — | — | — |
| Suburban Maryland | 3 | 297,936 | 95.7% | 95.7% | — | — | — | — |
| Colorado Springs | 21 | 1,574,274 | 82.6% | 84.4% | — | — | — | — |
| Greater Philadelphia, Pennsylvania | 4 | 660,165 | 93.7% | 93.7% | 1 | 71,554 | 111,862 | 183,416 |
| Other (3) | 2 | 295,842 | 100.0% | 100.0% | — | — | — | — |
| Total | 210 | 19,203,887 | 88.5% | 89.7% | 11 | 1,399,761 | 111,862 | 1,511,623 |

- (1) Number of properties includes buildings under construction or redevelopment once those buildings become partially operational. Operational square feet includes square feet in operations for partially operational properties; our one partially operational property had NOI of \$492,000 and cash NOI of (\$117,000) for the three months ended 9/30/13.
- (2) This schedule includes properties under, or contractually committed for, construction or approved for redevelopment. Please refer to pages 24 and 25.
- (3) For purposes of this summary, Huntsville is reported as a separate region. Other presentations within this package include Huntsville in our "Other" region.

Corporate Office Properties Trust
NOI from Real Estate Operations and Occupancy by Property Grouping
(dollars and square feet in thousands)

As of 9/30/13

| Property Grouping | # of Operating Office Properties | Office Operational Square Feet | % Occupied (1) | % Leased (1) | Office Property Annualized Rental Revenue (2) | Percentage of Total Office Annualized Rental Revenue | NOI from Real Estate Operations for Three Months Ended 9/30/13 | NOI from Real Estate Operations for Nine Months Ended 9/30/13 |
|--|---|--------------------------------------|----------------|--------------|---|--|--|--|
| Same Office Properties (3) | | | | | | | | |
| Stabilized properties | 163 | 14,338 | 91.1% | 92.4% | \$ 383,808 | 79.9% | \$ 63,950 | \$ 191,489 |
| Unstabilized properties (4) | 2 | 263 | 45.7% | 45.7% | 4,295 | 0.9% | 651 | 1,835 |
| Total Same Office Properties | 165 | 14,601 | 90.3% | 91.5% | 388,103 | 80.8% | 64,601 | 193,324 |
| Office Properties Placed in Service (5) | | | | | | | | |
| Stabilized properties | 5 | 457 | 98.4% | 98.4% | 13,113 | 2.7% | 2,343 | 4,966 |
| Unstabilized properties (4) | 2 | 367 | 30.8% | 31.5% | 4,844 | 1.0% | 697 | 2,320 |
| Acquired Office Properties (6) | 1 | 202 | 100.0% | 100.0% | 6,048 | 1.3% | 1,114 | 3,380 |
| Other | N/A | N/A | N/A | N/A | N/A | N/A | (832) | (368) |
| Total Core Portfolio | 173 | 15,627 | 89.3% | 90.4% | 412,108 | 85.8% | 67,923 | 203,622 |
| Office Properties Held for Sale (7) | 17 | 1,232 | 89.0% | 90.2% | 21,875 | 4.6% | 3,836 | 11,340 |
| Office Properties to be Conveyed (8) | 16 | 1,685 | 79.1% | 81.0% | 33,782 | 7.0% | 5,567 | 16,832 |
| Greater Philadelphia | 4 | 660 | 93.7% | 93.7% | 12,538 | 2.6% | 2,334 | 6,047 |
| Disposed Office Properties | N/A | N/A | N/A | N/A | N/A | N/A | 16 | 467 |
| Total Portfolio | 210 | 19,204 | 88.5% | 89.7% | \$ 480,303 | 100.0% | \$ 79,676 | \$ 238,308 |
| Core Portfolio | | | | | | | | |
| Demand Driver Adjacent (9) | 79 | 8,209 | 93.1% | 93.3% | \$ 247,385 | 60.0% | \$ 41,897 | \$ 122,757 |
| U.S. Government/Defense Contractor (10) | 29 | 2,594 | 90.9% | 92.0% | 62,079 | 15.1% | 11,417 | 35,025 |
| Total Strategic Tenant Niche | 108 | 10,803 | 92.6% | 93.0% | 309,464 | 75.1% | 53,314 | 157,782 |
| Regional Office (11) | 65 | 4,824 | 81.8% | 84.7% | 102,643 | 24.9% | 15,441 | 46,208 |
| Other | N/A | N/A | N/A | N/A | N/A | N/A | (832) | (368) |
| Total Core Portfolio | 173 | 15,627 | 89.3% | 90.4% | \$ 412,108 | 100.0% | \$ 67,923 | \$ 203,622 |

(1) Percentages calculated based on operational square feet.

(2) Excludes annualized rental revenue from our wholesale data center, DC-6, of \$7.6 million as of 9/30/13.

(3) Properties held for long-term investment owned and 100% operational since at least 1/1/12.

(4) Properties with first generation operational space less than 90% occupied at 9/30/13, as detailed on page 13.

(5) Newly constructed or redeveloped properties placed in service that were not fully operational by 1/1/12.

(6) Acquired properties that were not owned and fully operational by 1/1/12.

(7) The carrying value of operating property assets held for sale at 9/30/13 totaled \$133,984.

(8) Properties serving as collateral for debt that are expected to be conveyed to the lenders in order to extinguish such debt.

(9) Office properties held for long-term investment located near defense installations and other knowledge-based government demand drivers.

(10) Office properties held for long-term investment not located near Strategic Tenant Locations that were otherwise at least 50% leased as of most recent year end by United States Government agencies or defense contractors.

(11) Regional office properties held for long-term investment predominantly in the Greater Washington, DC/Baltimore region, excluding Strategic Tenant Niche Properties.

Corporate Office Properties Trust
Unstabilized Office Properties (1) - September 30, 2013

| Property Grouping | Operational Square Feet | Occupancy % | Leased % |
|---|----------------------------|--------------|--------------|
| Same Office Properties (2) | | | |
| 3120 Fairview Park Drive | 183,671 | 48.8% | 48.8% |
| 210 Research Blvd | 79,573 | 38.6% | 38.6% |
| Total Unstabilized Same Office Properties | 263,244 | 45.7% | 45.7% |
| Office Properties Placed in Service (3) | | | |
| 7770 Backlick Road | 239,272 | 47.2% | 48.4% |
| 206 Research Blvd | 128,119 | 0.0% | 0.0% |
| Total Unstabilized Office Properties Placed in Service | 367,391 | 30.8% | 31.5% |
| Total Unstabilized Office Properties, Excluding Properties Held for Sale | 630,635 | 37.0% | 37.5% |
| Unstabilized Properties Held for Sale (2 Properties) | | | |
| 751 Arbor Way (Greater Philadelphia) | 113,297 | 63.4% | 63.4% |
| Total Unstabilized Office Properties | 904,774 | 42.8% | 44.7% |

(1) Properties with first generation operational space less than 90% occupied at 9/30/13. Excludes our wholesale data center, DC-6.

(2) Properties owned and 100% operational since 1/1/12.

(3) Newly constructed or redeveloped properties placed in service that were not fully operational by 1/1/12.

Corporate Office Properties Trust
Real Estate Revenues, NOI and Cash NOI* by Segment
(dollars in thousands)

| | Three Months Ended | | | | | Nine Months Ended | |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 | 9/30/13 | 9/30/12 |
| Real estate revenues | | | | | | | |
| Baltimore/Washington Corridor | \$ 57,226 | \$ 57,387 | \$ 56,436 | \$ 57,233 | \$ 55,799 | \$ 171,049 | \$ 167,726 |
| Northern Virginia | 23,062 | 22,988 | 22,942 | 21,600 | 20,363 | 68,992 | 57,974 |
| San Antonio | 7,898 | 8,364 | 7,757 | 8,455 | 8,125 | 24,019 | 23,563 |
| Washington, DC - Capitol Riverfront | 4,295 | 4,177 | 4,244 | 4,182 | 4,389 | 12,716 | 12,515 |
| St. Mary's and King George Counties | 4,270 | 4,093 | 3,992 | 3,956 | 4,085 | 12,355 | 12,436 |
| Greater Baltimore | 10,703 | 10,824 | 10,719 | 10,662 | 11,918 | 32,246 | 41,954 |
| Suburban Maryland | 2,332 | 2,253 | 2,224 | 2,336 | 2,371 | 6,809 | 12,680 |
| Colorado Springs | 6,622 | 6,519 | 6,733 | 6,309 | 6,278 | 19,874 | 18,880 |
| Greater Philadelphia | 3,258 | 2,784 | 2,487 | 2,527 | 2,541 | 8,529 | 7,171 |
| Other | 3,819 | 3,869 | 3,190 | 3,317 | 3,589 | 10,878 | 10,977 |
| Wholesale Data Center | 1,076 | 2,017 | 1,353 | 1,987 | 1,806 | 4,446 | 4,660 |
| Real estate revenues | \$ 124,561 | \$ 125,275 | \$ 122,077 | \$ 122,564 | \$ 121,264 | \$ 371,913 | \$ 370,536 |
| NOI | | | | | | | |
| Baltimore/Washington Corridor | \$ 38,446 | \$ 38,403 | \$ 37,170 | \$ 36,615 | \$ 37,265 | \$ 114,019 | \$ 111,049 |
| Northern Virginia | 15,063 | 14,784 | 15,125 | 13,767 | 13,248 | 44,972 | 36,704 |
| San Antonio | 3,837 | 3,886 | 3,869 | 3,954 | 3,853 | 11,592 | 11,565 |
| Washington, DC - Capitol Riverfront | 2,349 | 2,303 | 2,295 | 2,112 | 2,465 | 6,947 | 7,030 |
| St. Mary's and King George Counties | 2,971 | 2,870 | 2,799 | 2,735 | 2,844 | 8,640 | 8,912 |
| Greater Baltimore | 6,560 | 6,727 | 6,551 | 6,656 | 7,379 | 19,838 | 26,043 |
| Suburban Maryland | 1,470 | 1,509 | 1,437 | 1,398 | 1,330 | 4,416 | 7,323 |
| Colorado Springs | 4,251 | 4,324 | 4,285 | 3,780 | 3,846 | 12,860 | 12,126 |
| Greater Philadelphia | 2,334 | 2,064 | 1,649 | 1,816 | 1,878 | 6,047 | 5,320 |
| Other | 3,165 | 3,252 | 2,794 | 2,739 | 2,903 | 9,211 | 8,889 |
| Wholesale Data Center | (770) | 499 | 37 | 550 | 554 | (234) | 1,282 |
| NOI from real estate operations | \$ 79,676 | \$ 80,621 | \$ 78,011 | \$ 76,122 | \$ 77,565 | \$ 238,308 | \$ 236,243 |
| Cash NOI | | | | | | | |
| Baltimore/Washington Corridor | \$ 37,424 | \$ 37,881 | \$ 36,258 | \$ 36,179 | \$ 36,312 | \$ 111,563 | \$ 107,976 |
| Northern Virginia | 15,620 | 14,937 | 14,828 | 12,433 | 13,468 | 45,385 | 37,419 |
| San Antonio | 3,534 | 3,532 | 3,423 | 3,620 | 3,427 | 10,489 | 10,294 |
| Washington, DC - Capitol Riverfront | 2,459 | 2,405 | 2,378 | 2,183 | 2,523 | 7,242 | 7,145 |
| St. Mary's and King George Counties | 2,993 | 2,891 | 2,771 | 2,765 | 2,928 | 8,655 | 8,998 |
| Greater Baltimore | 6,671 | 6,783 | 6,565 | 6,655 | 7,143 | 20,019 | 25,532 |
| Suburban Maryland | 1,185 | 1,363 | 1,268 | 1,183 | 1,094 | 3,816 | 6,755 |
| Colorado Springs | 4,033 | 3,990 | 3,904 | 3,447 | 3,716 | 11,927 | 11,852 |
| Greater Philadelphia | 1,746 | 1,879 | 1,654 | 1,729 | 1,678 | 5,279 | 4,065 |
| Other | 3,247 | 3,292 | 2,664 | 2,626 | 2,789 | 9,203 | 9,464 |
| Wholesale Data Center | 168 | 34 | (1,406) | 53 | 78 | (1,204) | 607 |
| Cash NOI from real estate operations | \$ 79,080 | \$ 78,987 | \$ 74,307 | \$ 72,873 | \$ 75,156 | \$ 232,374 | \$ 230,107 |
| Add: Straight line rent adjustments | 894 | 1,874 | 3,941 | 3,530 | 2,720 | 6,709 | 6,958 |
| Add: Amortization of deferred market rental revenue | 29 | 87 | 82 | 90 | 60 | 198 | 273 |
| Less: Amortization of above-market cost arrangements | (327) | (327) | (319) | (371) | (371) | (973) | (1,095) |
| NOI from real estate operations | \$ 79,676 | \$ 80,621 | \$ 78,011 | \$ 76,122 | \$ 77,565 | \$ 238,308 | \$ 236,243 |

* Includes continuing and discontinued operations.

Corporate Office Properties Trust
Same Office Properties (1) Average Occupancy Rates by Region

| | Number of Buildings | Rentable Square Feet | Three Months Ended | | | | | Nine Months Ended | |
|---|---------------------|----------------------|--------------------|--------------|--------------|--------------|--------------|-------------------|--------------|
| | | | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 | 9/30/13 | 9/30/12 |
| Baltimore Washington Corridor | 85 | 7,553,168 | 91.4% | 92.3% | 91.7% | 90.6% | 89.4% | 91.8% | 88.9% |
| Northern Virginia | 15 | 2,271,204 | 89.0% | 87.4% | 87.3% | 86.1% | 85.2% | 87.9% | 85.4% |
| San Antonio | 8 | 912,508 | 96.6% | 96.6% | 96.4% | 96.5% | 96.5% | 96.5% | 96.9% |
| Washington, DC - Capitol Riverfront | 2 | 360,326 | 90.9% | 88.1% | 88.1% | 89.0% | 89.0% | 89.0% | 88.7% |
| St. Mary's and King George Counties | 19 | 903,916 | 90.6% | 87.5% | 86.4% | 85.5% | 85.5% | 88.2% | 87.1% |
| Greater Baltimore | 31 | 1,924,515 | 84.5% | 84.7% | 84.1% | 83.8% | 85.9% | 84.4% | 85.7% |
| Suburban Maryland | 2 | 242,070 | 96.9% | 96.9% | 94.9% | 94.9% | 94.1% | 96.2% | 92.2% |
| Other | 3 | 432,891 | 94.6% | 94.6% | 94.6% | 96.4% | 100.0% | 94.6% | 100.0% |
| Total Office | 165 | 14,600,598 | 90.6% | 90.6% | 90.0% | 89.3% | 88.8% | 90.4% | 88.7% |
| Total Same Office Properties occupancy as of period end | | | 90.3% | 90.8% | 90.3% | 89.5% | 89.0% | 90.3% | 89.0% |

(1) Same office properties represent buildings owned and 100% operational since at least January 1, 2012, excluding properties held for future disposition.

Corporate Office Properties Trust
Same Office Property Real Estate Revenues by Region (dollars in thousands)

| | Three Months Ended | | | | | Nine Months Ended | |
|-------------------------------------|--------------------|-------------------|------------------|------------------|------------------|-------------------|-------------------|
| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 | 9/30/13 | 9/30/12 |
| Office Properties: | | | | | | | |
| Baltimore/Washington Corridor | \$ 51,909 | \$ 53,028 | \$ 51,779 | \$ 52,518 | \$ 50,938 | \$156,716 | \$ 150,951 |
| Northern Virginia | 15,205 | 14,974 | 14,794 | 14,740 | 14,657 | 44,973 | 43,751 |
| San Antonio | 7,898 | 8,364 | 7,757 | 8,455 | 8,125 | 24,019 | 23,569 |
| Washington, DC - Capitol Riverfront | 4,296 | 4,176 | 4,244 | 4,182 | 4,389 | 12,716 | 12,515 |
| St. Mary's and King George Counties | 4,269 | 4,094 | 3,992 | 3,956 | 4,084 | 12,355 | 12,436 |
| Greater Baltimore | 10,698 | 10,821 | 10,656 | 10,640 | 10,942 | 32,175 | 32,518 |
| Suburban Maryland | 2,154 | 2,086 | 2,090 | 2,132 | 2,105 | 6,330 | 6,225 |
| Other | 3,168 | 3,205 | 3,121 | 3,276 | 3,474 | 9,494 | 10,285 |
| Real estate revenues | \$ 99,597 | \$ 100,748 | \$ 98,433 | \$ 99,899 | \$ 98,714 | \$298,778 | \$ 292,250 |

Same Office Property NOI by Region (dollars in thousands)

| | Three Months Ended | | | | | Nine Months Ended | |
|---|--------------------|------------------|------------------|------------------|------------------|-------------------|------------------|
| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 | 9/30/13 | 9/30/12 |
| Office Properties: | | | | | | | |
| Baltimore/Washington Corridor | \$ 34,902 | \$ 35,806 | \$ 34,298 | \$ 33,600 | \$ 33,983 | \$ 105,006 | \$100,254 |
| Northern Virginia | 9,835 | 9,459 | 9,528 | 9,498 | 9,625 | 28,822 | 28,348 |
| San Antonio | 3,837 | 3,886 | 3,869 | 3,954 | 3,853 | 11,592 | 11,619 |
| Washington, DC - Capitol Riverfront | 2,349 | 2,303 | 2,295 | 2,112 | 2,464 | 6,947 | 7,029 |
| St. Mary's and King George Counties | 2,971 | 2,870 | 2,799 | 2,735 | 2,844 | 8,640 | 8,911 |
| Greater Baltimore | 6,640 | 6,805 | 6,631 | 6,683 | 6,807 | 20,076 | 20,505 |
| Suburban Maryland | 1,331 | 1,340 | 1,361 | 1,296 | 1,315 | 4,032 | 3,992 |
| Other | 2,736 | 2,737 | 2,736 | 2,798 | 3,077 | 8,209 | 9,104 |
| Same office property NOI | 64,601 | 65,206 | 63,517 | 62,676 | 63,968 | 193,324 | 189,762 |
| Add (less): Straight line rent adjustments | (1,029) | (717) | (1,403) | (1,417) | (1,584) | (3,149) | (4,992) |
| Less: Amortization of deferred market rental revenue | 22 | (35) | (30) | (39) | (17) | (43) | (95) |
| Add: Amortization of above-market cost arrangements | 320 | 319 | 319 | 371 | 371 | 958 | 1,095 |
| Same office property cash NOI | 63,914 | 64,773 | 62,403 | 61,591 | 62,738 | 191,090 | 185,770 |
| Less: Lease termination fees, gross | (306) | (750) | (224) | (524) | (636) | (1,280) | (1,507) |
| Same office property cash NOI, excluding gross lease termination fees | \$ 63,608 | \$ 64,023 | \$ 62,179 | \$ 61,067 | \$ 62,102 | \$ 189,810 | \$184,263 |
| Percentage change in same office property cash NOI (1) | 1.9% | | | | | 2.9% | |
| Percentage change in same office property cash NOI, excluding gross lease termination fees (1) | 2.4% | | | | | 3.0% | |

Note: Same office properties represent buildings owned and 100% operational since at least January 1, 2012, excluding properties held for future disposition.
(1) Represents the change between the current period and the same period in the prior year.

Corporate Office Properties Trust
Office Leasing (1)
Quarter Ended September 30, 2013

| | Baltimore/ Washington Corridor | Northern Virginia | Washington DC-Capital Riverfront | St. Mary's & King George Counties | Greater Baltimore | Suburban Maryland | Colorado Springs | Greater Philadelphia | Total Office |
|--|--------------------------------------|----------------------|--|--|----------------------|----------------------|---------------------|-------------------------|-----------------|
| Renewed Space | | | | | | | | | |
| Leased Square Feet | 231,533 | 163,192 | 4,563 | 3,832 | 86,020 | 14,782 | 10,884 | — | 514,806 |
| Expiring Square Feet | 411,197 | 163,192 | 4,563 | 7,771 | 102,939 | 14,782 | 12,824 | — | 717,268 |
| Vacated Square Feet | 179,664 | — | — | 3,939 | 16,919 | — | 1,940 | — | 202,462 |
| Retention Rate (% based upon square feet) | 56.31% | 100.00% | 100.00% | 49.31% | 83.56% | 100.00% | 84.87% | 0.00% | 71.77% |
| Statistics for Completed Leasing: | | | | | | | | | |
| Average Committed Cost per Square Foot | \$ 1.47 | \$ 2.96 | \$ 2.70 | \$ 0.74 | \$ 14.03 | \$ 5.88 | \$ 2.89 | \$ — | \$ 4.20 |
| Weighted Average Lease Term in Years | 1.4 | 2.0 | 1.2 | 1.0 | 5.0 | 5.0 | 3.0 | — | 2.3 |
| GAAP Rent Per Square Foot | | | | | | | | | |
| Renewal GAAP Rent | \$ 38.87 | \$ 34.24 | \$ 46.44 | \$ 24.67 | \$ 27.37 | \$ 39.17 | \$ 27.57 | \$ — | \$ 35.21 |
| Expiring GAAP Rent | \$ 36.92 | \$ 32.92 | \$ 45.32 | \$ 23.95 | \$ 27.34 | \$ 34.08 | \$ 27.23 | \$ — | \$ 33.74 |
| Change in GAAP Rent | 5.29% | 3.99% | 2.47% | 3.01% | 0.13% | 14.95% | 1.27% | 0.00% | 4.35% |
| Cash Rent Per Square Foot | | | | | | | | | |
| Renewal Cash Rent | \$ 38.76 | \$ 33.77 | \$ 46.44 | \$ 24.67 | \$ 25.54 | \$ 37.04 | \$ 27.61 | \$ — | \$ 34.65 |
| Expiring Cash Rent | \$ 38.75 | \$ 34.14 | \$ 45.32 | \$ 23.95 | \$ 30.26 | \$ 37.89 | \$ 28.80 | \$ — | \$ 35.58 |
| Change in Cash Rent | 0.02% | (1.10)% | 2.47% | 3.01% | (15.57)% | (2.23)% | (4.14)% | 0.00% | (2.63)% |
| New Leases | | | | | | | | | |
| <u>Development and Redevelopment Space</u> | | | | | | | | | |
| Leased Square Feet | 125,160 | — | — | — | — | — | 1,394 | 7,189 | 133,743 |
| Statistics for Completed Leasing: | | | | | | | | | |
| Average Committed Cost per Square Foot | \$ 71.31 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 15.00 | \$ 59.88 | \$ 70.11 |
| Weighted Average Lease Term in Years | 10.0 | — | — | — | — | — | 7.3 | 6.6 | 9.8 |
| GAAP Rent Per Square Foot | \$ 28.75 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 23.63 | \$ 22.69 | \$ 28.37 |
| Cash Rent Per Square Foot | \$ 29.31 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 22.73 | \$ 23.00 | \$ 28.91 |
| <u>Other New Leases (2)</u> | | | | | | | | | |
| Leased Square Feet | 137,426 | 44,203 | — | — | 53,346 | — | 14,163 | — | 249,138 |
| Statistics for Completed Leasing: | | | | | | | | | |
| Average Committed Cost per Square Foot | \$ 29.51 | \$ 47.13 | \$ — | \$ — | \$ 39.99 | \$ — | \$ 73.79 | \$ — | \$ 37.40 |
| Weighted Average Lease Term in Years | 6.6 | 5.9 | — | — | 6.8 | — | 5.0 | — | 6.4 |
| GAAP Rent Per Square Foot | \$ 24.79 | \$ 26.35 | \$ — | \$ — | \$ 24.96 | \$ — | \$ 29.30 | \$ — | \$ 25.36 |
| Cash Rent Per Square Foot | \$ 22.49 | \$ 26.47 | \$ — | \$ — | \$ 22.52 | \$ — | \$ 29.30 | \$ — | \$ 23.59 |
| Total Square Feet Leased | 494,119 | 207,395 | 4,563 | 3,832 | 139,366 | 14,782 | 26,441 | 7,189 | 897,687 |

(1) This presentation reflects consolidated properties.

(2) Other New Leases includes acquired first generation space and vacated second generation space.

Notes: No expiration, renewal or retenanting activity transpired in our San Antonio or Huntsville regions.

Activity is exclusive of owner occupied space and leases with less than a one-year term. Retention rate includes early renewals.

Corporate Office Properties Trust
Office Leasing (1)
Nine Months Ended September 30, 2013

| | Baltimore/ Washington Corridor | Northern Virginia | Washington DC-Capital Riverfront | St. Mary's & King George Counties | Greater Baltimore | Suburban Maryland | Colorado Springs | Greater Philadelphia | Huntsville | Total Office |
|--|--------------------------------------|----------------------|--|--|----------------------|----------------------|---------------------|-------------------------|--------------|------------------|
| Renewed Space | | | | | | | | | | |
| Leased Square Feet | 925,341 | 186,147 | 7,912 | 100,806 | 118,884 | 56,282 | 39,962 | — | — | 1,435,334 |
| Expiring Square Feet | 1,354,855 | 247,020 | 11,124 | 123,262 | 144,756 | 56,282 | 156,548 | — | — | 2,093,847 |
| Vacated Square Feet | 429,514 | 60,873 | 3,212 | 22,456 | 25,872 | — | 116,586 | — | — | 658,513 |
| Retention Rate (% based upon square feet) | 68.30 % | 75.36 % | 71.13 % | 81.78 % | 82.13 % | 100.00 % | 25.53 % | 0.00% | 0.00% | 68.55 % |
| Statistics for Completed Leasing: | | | | | | | | | | |
| Average Committed Cost per Square Foot | \$ 6.87 | \$ 4.87 | \$ 5.12 | \$ 3.87 | \$ 10.54 | \$ 1.54 | \$ 18.07 | \$ — | \$ — | \$ 6.80 |
| Weighted Average Lease Term in Years | 3.6 | 3.0 | 3.6 | 1.6 | 3.9 | 6.5 | 4.3 | — | — | 3.5 |
| GAAP Rent Per Square Foot | | | | | | | | | | |
| Renewal GAAP Rent | \$ 32.13 | \$ 33.40 | \$ 44.89 | \$ 23.84 | \$ 25.56 | \$ 30.57 | \$ 24.70 | \$ — | \$ — | \$ 30.97 |
| Expiring GAAP Rent | \$ 30.31 | \$ 32.58 | \$ 43.65 | \$ 23.21 | \$ 25.37 | \$ 30.95 | \$ 23.53 | \$ — | \$ — | \$ 29.61 |
| Change in GAAP Rent | 6.01 % | 2.50 % | 2.85 % | 2.73 % | 0.75 % | (1.24)% | 4.97 % | 0.00% | 0.00% | 4.61 % |
| Cash Rent Per Square Foot | | | | | | | | | | |
| Renewal Cash Rent | \$ 31.37 | \$ 32.72 | \$ 43.82 | \$ 23.71 | \$ 24.24 | \$ 28.90 | \$ 24.02 | \$ — | \$ — | \$ 30.18 |
| Expiring Cash Rent | \$ 31.96 | \$ 33.75 | \$ 45.09 | \$ 23.84 | \$ 27.53 | \$ 34.29 | \$ 24.68 | \$ — | \$ — | \$ 31.22 |
| Change in Cash Rent | (1.86)% | (3.06)% | (2.82)% | (0.53)% | (11.95)% | (15.72)% | (2.68)% | 0.00% | 0.00% | (3.32)% |
| New Leases | | | | | | | | | | |
| <u>Development and Redevelopment Space</u> | | | | | | | | | | |
| Leased Square Feet (2) | 227,793 | 405,461 | — | — | — | 4,853 | 29,716 | 25,516 | 6,029 | 699,368 |
| Statistics for Completed Leasing: | | | | | | | | | | |
| Average Committed Cost per Square Foot | \$ 68.86 | \$ 18.51 | \$ — | \$ — | \$ — | \$ 53.05 | \$ 56.39 | \$ 66.33 | \$ 45.63 | \$ 38.74 |
| Weighted Average Lease Term in Years | 9.5 | 9.9 | — | — | — | 5.0 | 6.5 | 7.2 | 5.0 | 9.5 |
| GAAP Rent Per Square Foot | \$ 33.43 | \$ 22.09 | \$ — | \$ — | \$ — | \$ 30.26 | \$ 29.17 | \$ 23.34 | \$ 18.75 | \$ 26.16 |
| Cash Rent Per Square Foot | \$ 31.89 | \$ 21.62 | \$ — | \$ — | \$ — | \$ 28.50 | \$ 24.49 | \$ 23.10 | \$ 17.75 | \$ 25.16 |
| <u>Other New Leases (3)</u> | | | | | | | | | | |
| Leased Square Feet | 271,074 | 96,156 | — | 39,267 | 70,554 | — | 99,960 | — | — | 577,011 |
| Statistics for Completed Leasing: | | | | | | | | | | |
| Average Committed Cost per Square Foot | \$ 35.85 | \$ 38.88 | \$ — | \$ 6.51 | \$ 33.61 | \$ — | \$ 21.71 | \$ — | \$ — | \$ 31.64 |
| Weighted Average Lease Term in Years | 7.0 | 6.9 | — | 3.3 | 6.0 | — | 4.5 | — | — | 6.2 |
| GAAP Rent Per Square Foot | \$ 23.97 | \$ 27.20 | \$ — | \$ 11.49 | \$ 23.62 | \$ — | \$ 15.82 | \$ — | \$ — | \$ 22.20 |
| Cash Rent Per Square Foot | \$ 22.31 | \$ 25.58 | \$ — | \$ 11.84 | \$ 21.67 | \$ — | \$ 17.41 | \$ — | \$ — | \$ 21.21 |
| Total Square Feet Leased | 1,424,208 | 687,764 | 7,912 | 140,073 | 189,438 | 61,135 | 169,638 | 25,516 | 6,029 | 2,711,713 |

(1) This presentation reflects consolidated properties.

(2) Other New Leases includes acquired first generation space and vacated second generation space.

Notes: No expiration, renewal or retenanting activity transpired in our San Antonio region.

Activity is exclusive of owner occupied space and leases with less than a one-year term. Retention rate includes early renewals.

Corporate Office Properties Trust
Lease Expiration Analysis as of 9/30/13 (1)

| Year and Region of Lease (2) | Core Office Properties/Total Portfolio | | | | | Strategic Tenant Niche Properties Only | | | | |
|-----------------------------------|--|-----------------------------------|--|--|---|--|-----------------------------------|--|--|---|
| | Number of Leases Expiring | Square Footage of Leases Expiring | Annual Rental Revenue of Expiring Leases (3) (000's) | Percentage of Total Annualized Rental Revenue Expiring | Annual Rental Revenue of Expiring Leases per Occupied Square Foot | Number of Leases Expiring | Square Footage of Leases Expiring | Annual Rental Revenue of Expiring Leases (3) (000's) | Percentage of Strategic Tenant Properties Annualized Rental Revenue Expiring | Annual Rental Revenue of Expiring Leases per Occupied Square Foot |
| Core Office Properties | | | | | | | | | | |
| Baltimore/Washington Corridor | 21 | 580,528 | \$ 19,901 | 4.8% | 34.28 | 11 | 552,506 | \$ 19,138 | 6.2% | \$ 34.64 |
| Northern Virginia | 5 | 52,377 | 722 | 0.2% | 13.78 | 2 | 25,525 | 391 | 0.1% | 15.32 |
| Washington, DC-Capitol Riverfront | 2 | 108,383 | 4,809 | 1.2% | 44.37 | 2 | 108,383 | 4,809 | 1.6% | 44.37 |
| St. Mary's and King George Cos. | 4 | 57,422 | 1,412 | 0.3% | 24.59 | 4 | 57,422 | 1,412 | 0.5% | 24.59 |
| Greater Baltimore | 8 | 24,401 | 398 | 0.1% | 16.31 | — | — | — | 0.0% | — |
| 2013 | 40 | 823,111 | 27,242 | 6.6% | 33.10 | 19 | 743,836 | 25,750 | 8.3% | 34.62 |
| Baltimore/Washington Corridor | 31 | 744,033 | 25,124 | 6.1% | 33.77 | 15 | 653,588 | 22,707 | 7.3% | 34.74 |
| Northern Virginia | 9 | 322,922 | 10,662 | 2.6% | 33.02 | 7 | 262,201 | 8,465 | 2.7% | 32.28 |
| Washington, DC-Capitol Riverfront | 7 | 71,364 | 3,339 | 0.8% | 46.79 | 7 | 71,364 | 3,339 | 1.1% | 46.79 |
| St. Mary's and King George Cos. | 21 | 276,157 | 4,919 | 1.2% | 17.81 | 21 | 276,157 | 4,919 | 1.6% | 17.81 |
| Greater Baltimore | 28 | 168,016 | 3,077 | 0.7% | 18.31 | — | — | — | 0.0% | — |
| Suburban Maryland | 2 | 19,261 | 668 | 0.2% | 34.68 | 2 | 19,261 | 668 | 0.2% | 34.68 |
| Other | 1 | 113,692 | 3,050 | 0.7% | 26.83 | 1 | 113,692 | 3,050 | 1.0% | 26.83 |
| 2014 | 99 | 1,715,445 | 50,839 | 12.3% | 29.64 | 53 | 1,396,263 | 43,148 | 13.9% | 30.90 |
| Baltimore/Washington Corridor | 44 | 1,070,840 | 32,124 | 7.8% | 30.00 | 21 | 831,792 | 25,782 | 8.3% | 31.00 |
| Northern Virginia | 7 | 517,343 | 17,544 | 4.3% | 33.91 | 4 | 502,315 | 16,969 | 5.5% | 33.78 |
| Washington, DC-Capitol Riverfront | 5 | 36,655 | 1,776 | 0.4% | 48.45 | 5 | 36,655 | 1,776 | 0.6% | 48.45 |
| St. Mary's and King George Cos. | 17 | 252,840 | 5,235 | 1.3% | 20.70 | 17 | 252,840 | 5,235 | 1.7% | 20.70 |
| Greater Baltimore | 15 | 115,668 | 3,113 | 0.8% | 26.91 | 5 | 49,231 | 1,534 | 0.5% | 31.16 |
| 2015 | 88 | 1,993,346 | 59,792 | 14.5% | 30.00 | 52 | 1,672,833 | 51,296 | 16.6% | 30.66 |
| Baltimore/Washington Corridor | 35 | 888,000 | 24,271 | 5.9% | 27.33 | 18 | 578,603 | 16,758 | 5.4% | 28.96 |
| Northern Virginia | 16 | 338,493 | 9,832 | 2.4% | 29.05 | 9 | 294,250 | 8,297 | 2.7% | 28.20 |
| Washington, DC-Capitol Riverfront | 3 | 37,493 | 1,775 | 0.4% | 47.34 | 3 | 37,493 | 1,775 | 0.6% | 47.34 |
| St. Mary's and King George Cos. | 10 | 109,130 | 1,938 | 0.5% | 17.76 | 10 | 109,130 | 1,938 | 0.6% | 17.76 |
| Greater Baltimore | 20 | 240,919 | 6,639 | 1.6% | 27.56 | — | — | — | 0.0% | — |
| 2016 | 84 | 1,614,035 | 44,455 | 10.8% | 27.54 | 40 | 1,019,476 | 28,768 | 9.3% | 28.22 |

| Year and Region of Lease (2) | Core Office Properties/Total Portfolio | | | | | Strategic Tenant Niche Properties Only | | | | |
|--|--|-----------------------------------|--|--|---|--|-----------------------------------|--|--|---|
| | Number of Leases Expiring | Square Footage of Leases Expiring | Annual Rental Revenue of Expiring Leases (3) (000's) | Percentage of Total Annualized Rental Revenue Expiring | Annual Rental Revenue of Expiring Leases per Occupied Square Foot | Number of Leases Expiring | Square Footage of Leases Expiring | Annual Rental Revenue of Expiring Leases (3) (000's) | Percentage of Strategic Tenant Properties Annualized Rental Revenue Expiring | Annual Rental Revenue of Expiring Leases per Occupied Square Foot |
| Baltimore/Washington Corridor | 41 | 1,201,149 | 34,505 | 8.4% | 28.73 | 23 | 846,115 | 25,670 | 8.3% | 30.34 |
| Northern Virginia | 12 | 299,091 | 9,427 | 2.3% | 31.52 | 2 | 200,356 | 6,110 | 2.0% | 30.50 |
| St. Mary's and King George Cos. | 1 | 4,788 | 125 | —% | 26.11 | 1 | 4,788 | 125 | 0.0% | 26.11 |
| Greater Baltimore | 19 | 243,504 | 4,962 | 1.2% | 20.38 | 2 | 3,174 | 84 | 0.0% | 26.47 |
| Suburban Maryland | 1 | 9,155 | 264 | 0.1% | 28.84 | 1 | 9,155 | 264 | 0.1% | 28.84 |
| 2017 | 74 | 1,757,687 | 49,283 | 12.0% | 28.04 | 29 | 1,063,588 | 32,253 | 10.4% | 30.32 |
| Thereafter | 189 | 6,044,354 | 180,500 | 43.8% | 29.86 | 106 | 4,105,723 | 128,249 | 41.4% | 31.24 |
| Core/Strategic Tenant Niche Total/Avg. | 574 | 13,947,978 | \$ 412,108 | 100.0% | \$ 29.55 | 299 | 10,001,719 | \$ 309,464 | 100.0% | \$ 30.94 |
| Properties Not Held For Long Term Investment | | | | | | | | | | |
| Baltimore/Washington Corridor | 29 | 470,435 | 11,354 | 16.7% | 24.14 | | | | | |
| Northern Virginia | 17 | 607,579 | 17,696 | 25.9% | 29.13 | | | | | |
| Suburban Maryland | 6 | 50,794 | 677 | 1.0% | 13.33 | | | | | |
| Colorado Springs | 73 | 1,300,326 | 25,930 | 38.0% | 19.94 | | | | | |
| Greater Philadelphia | 16 | 618,740 | 12,538 | 18.4% | 20.26 | | | | | |
| Properties Not Held For Long Term Investment Total/Avg. | 141 | 3,047,874 | \$ 68,195 | 100.0% | \$ 22.37 | | | | | |
| Total Portfolio | 715 | 16,995,852 | \$ 480,303 | | \$ 28.26 | | | | | |

Note: As of September 30, 2013, the weighted average lease term is 4.4 years for the Core Office Properties, 4.2 years for the Strategic Tenant Niche Properties and 4.3 for the total portfolio.

Wholesale Data Center Lease Expiration Analysis

| Year of Lease Expiration | Number of Leases Expiring | Raised Floor Square Footage (000's) | Critical Load Used (MW) | Total Annual Rental Revenue of Expiring Leases (3)(000's) |
|--------------------------|---------------------------|-------------------------------------|-------------------------|---|
| 2018 | 2 | 1 | 0.21 | \$ 445 |
| 2019 | 1 | 6 | 1.00 | 2,141 |
| 2020 | 1 | 11 | 2.00 | 4,430 |
| 2022 | 1 | 6 | 0.45 | 616 |
| | | | 3.66 | \$ 7,631 |

- (1) This presentation reflects consolidated properties. This expiration analysis reflects occupied space and includes the effect of early renewals completed on existing leases but excludes the effect of new tenant leases on square feet yet to commence as of September 30, 2013 of 227,0221 for the portfolio, including 39,721 for the Strategic Tenant Niche Properties.
- (2) Many of our government leases are subject to certain early termination provisions which are customary to government leases. The year of lease expiration was computed assuming no exercise of such early termination rights.
- (3) Total Annualized Rental Revenue is the monthly contractual base rent as of September 30, 2013 multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.

Corporate Office Properties Trust
Top 20 Office Tenants as of 9/30/13
(Based on Annualized Rental Revenue of
office properties, dollars in thousands)

| Tenant | Number of Leases | Total Occupied Square Feet | Percentage of Total Occupied Square Feet | Total Annualized Rental Revenue (1) | Percentage of Total Annualized Rental Revenue | Weighted Average Remaining Lease Term (2) | |
|--|------------------|----------------------------|--|-------------------------------------|---|---|------------|
| United States of America | (3) | 67 | 3,525,167 | 20.7% | \$ 117,298 | 24.4% | 5.0 |
| Northrop Grumman Corporation | | 11 | 1,067,709 | 6.3% | 29,444 | 6.1% | 5.2 |
| Booz Allen Hamilton, Inc. | | 10 | 802,916 | 4.7% | 26,302 | 5.5% | 2.6 |
| Computer Sciences Corporation | | 7 | 692,729 | 4.1% | 22,270 | 4.6% | 0.8 |
| General Dynamics Corporation | | 9 | 547,870 | 3.2% | 18,704 | 3.9% | 4.0 |
| The Boeing Company | | 6 | 317,168 | 1.9% | 9,197 | 1.9% | 2.9 |
| The MITRE Corporation | | 5 | 290,288 | 1.7% | 9,074 | 1.9% | 4.4 |
| CareFirst, Inc. | | 3 | 270,918 | 1.6% | 8,792 | 1.8% | 7.3 |
| The Aerospace Corporation | | 3 | 254,869 | 1.5% | 8,177 | 1.7% | 1.4 |
| Wells Fargo & Company | | 4 | 202,674 | 1.2% | 8,090 | 1.7% | 4.9 |
| ITT Exelis | | 6 | 299,129 | 1.8% | 7,536 | 1.6% | 2.6 |
| Kratos Defense and Security Solutions | | 5 | 253,634 | 1.5% | 7,179 | 1.5% | 6.3 |
| AT&T Corporation | | 4 | 317,570 | 1.9% | 5,916 | 1.2% | 5.6 |
| L-3 Communications Holdings, Inc | | 2 | 166,568 | 1.0% | 5,783 | 1.2% | 1.0 |
| Raytheon Company | | 7 | 162,919 | 1.0% | 5,155 | 1.1% | 1.9 |
| Science Applications International Corp. | | 4 | 133,577 | 0.8% | 4,364 | 0.9% | 5.9 |
| Lockheed Martin Corporation | | 6 | 135,978 | 0.8% | 3,913 | 0.8% | 4.1 |
| The Johns Hopkins Institutions | | 5 | 140,974 | 0.8% | 3,789 | 0.8% | 4.9 |
| KEYW Corporation | | 2 | 144,443 | 0.8% | 3,723 | 0.8% | 7.7 |
| Unisys Corporation | | 1 | 156,891 | 0.9% | 3,697 | 0.8% | 6.7 |
| Subtotal Top 20 Office Tenants | | 167 | 9,883,991 | 58.2% | 308,403 | 64.2% | 4.2 |
| All remaining tenants | | 548 | 7,111,861 | 41.8% | 171,900 | 35.8% | 4.3 |
| Total/Weighted Average | | 715 | 16,995,852 | 100.0% | \$ 480,303 | 100.0% | 4.3 |

- (1) Total Annualized Rental Revenue is the monthly contractual base rent as of September 30, 2013, multiplied by 12, plus the estimated annualized expense reimbursements under existing leases.
- (2) The weighting of the lease term was computed using Total Rental Revenue.
- (3) Substantially all of our government leases are subject to early termination provisions which are customary in government leases. The weighted average remaining lease term was computed assuming no exercise of such early termination rights.

Corporate Office Properties Trust
Dispositions

| Location | Property Region | Business Park/Submarket | Number of Buildings | Square Feet | Transaction Date | Occupancy on Transaction Date | Transaction Price (in thousands) |
|--------------------------------------|----------------------------------|-------------------------|------------------------|----------------|---------------------|-------------------------------------|--|
| Nine Months Ended 9/30/13 | | | | | | | |
| Operating Properties | | | | | | | |
| 920 Elkridge Landing Road | Baltimore/Washington Corridor | Airport Square | 1 | 103,000 | 6/25/13 | 0.0% | \$ 6,900 |
| Land | | | N/A | N/A | 4/4/13 | N/A | 3,500 |
| Total | | | <u>1</u> | <u>103,000</u> | | | <u>\$ 10,400</u> |

Corporate Office Properties Trust
Construction, Redevelopment, Wholesale Data Center and Land and Pre-Construction as of 9/30/13
(dollars in thousands)

| Segment | Construction Projects (1) | Redevelopment Projects (2) | Wholesale Data Center | Land and Pre-Construction (3) | Total |
|-------------------------------------|------------------------------|-------------------------------|--------------------------|----------------------------------|-------------------|
| Rentable Square Feet | | | | | |
| Baltimore/Washington Corridor | 264,216 | 52,000 | N/A | 3,955,000 | 4,271,216 |
| Northern Virginia | 708,068 | — | N/A | 2,435,000 | 3,143,068 |
| San Antonio | — | — | N/A | 1,193,000 | 1,193,000 |
| Huntsville, Alabama | 303,923 | — | N/A | 4,173,000 | 4,476,923 |
| St. Mary's and King George Counties | — | — | N/A | 109,000 | 109,000 |
| Greater Baltimore | — | — | N/A | 2,830,000 | 2,830,000 |
| Suburban Maryland | — | — | N/A | 1,525,000 | 1,525,000 |
| Colorado Springs | — | — | N/A | 2,570,000 | 2,570,000 |
| Greater Philadelphia | — | 183,416 | N/A | 604,000 | 787,416 |
| Other | — | — | N/A | 967,000 | 967,000 |
| Total | 1,276,207 | 235,416 | N/A | 20,361,000 | 21,872,623 |

| Costs to date by region | | | | | |
|-------------------------------------|-------------------|------------------|-------------------|-------------------|-------------------|
| Baltimore/Washington Corridor | \$ 49,713 | \$ 3,769 | \$ — | \$ 101,075 | \$ 154,557 |
| Northern Virginia | 52,039 | — | — | 98,602 | 150,641 |
| San Antonio | — | — | — | 23,967 | 23,967 |
| Huntsville, Alabama | 32,629 | — | — | 13,715 | 46,344 |
| St. Mary's and King George Counties | — | — | — | 2,587 | 2,587 |
| Greater Baltimore | — | — | — | 78,267 | 78,267 |
| Suburban Maryland | — | — | — | 13,459 | 13,459 |
| Colorado Springs | — | — | — | 24,906 | 24,906 |
| Greater Philadelphia | — | 26,754 | — | 12,824 | 39,578 |
| Wholesale Data Center | — | — | 214,487 | — | 214,487 |
| Other | — | — | — | 6,436 | 6,436 |
| Total | \$ 134,381 | \$ 30,523 | \$ 214,487 | \$ 375,838 | \$ 755,229 |

Reconciliation to amounts included in projects in development or held for future development, including land costs, as reported on consolidated balance sheet

| | | | | | |
|--|-------------------|-----------------|------------------|-------------------|-------------------|
| Operating properties | (4,100) | (22,187) | (172,480) | (23,322) | (222,089) |
| Assets held for sale | — | — | — | (466) | (466) |
| Deferred leasing costs | (3,778) | (2,060) | (669) | — | (6,507) |
| Projects in development or held for future development, including associated land costs (4) | \$ 126,503 | \$ 6,276 | \$ 41,338 | \$ 352,050 | \$ 526,167 |

(1) Represents construction projects as listed on page 24.

(2) Represents redevelopment projects as listed on page 25.

(3) Represents our land held for future development and pre-construction as listed on page 26.

(4) Represents total of costs included in lines on our consolidated balance sheet entitled "construction and redevelopment in progress, including land" and "land held for future development and pre-construction costs."

Corporate Office Properties Trust
Summary of Construction Projects as of 9/30/13 (1)
(dollars in thousands)

| Property and Location | Park/Submarket | Total Rentable Square Feet (4) | Percentage Leased as of 9/30/2013 | as of 9/30/13 (2) | | | Actual or Anticipated Shell Completion Date | Anticipated Operational Date (3) |
|---|---------------------------|-----------------------------------|---|---------------------------|-------------------|-----------------------------------|---|--|
| | | | | Anticipated Total Cost | Cost to Date | Cost to Date Placed in Service | | |
| 312 Sentinel Way Annapolis Junction, Maryland | National Business Park | 125,160 | 100% | \$ 36,523 | \$ 25,210 | \$ 4,100 | 3Q 13 | 3Q 14 |
| 420 National Business Parkway Jessup, Maryland | National Business Park | 139,056 | 27% | 34,716 | 24,503 | — | 2Q 13 | 2Q 14 |
| Ashburn Crossing - DC-8 Ashburn, Virginia | Ashburn | 200,000 | 100% | 25,340 | 19,560 | — | 4Q 13 | 4Q 13 |
| Ashburn Crossing - DC-9 Ashburn, Virginia | Ashburn | 115,000 | 100% | 12,769 | 7,016 | — | 2Q 15 | 2Q 15 |
| 15395 John Marshall Hwy Haymarket, Virginia | Other | 233,768 | 100% | 26,000 | 18,016 | — | 1Q 14 | 1Q 14 |
| NOVA Office A Northern Virginia | Other | 159,300 | 100% | 44,560 | 7,447 | — | 4Q 14 | 1Q 15 |
| 1100 Redstone Gateway Huntsville, Alabama | Huntsville | 121,111 | 100% | 21,549 | 12,203 | — | 1Q 14 | 1Q 14 |
| 1200 Redstone Gateway Huntsville, Alabama | Huntsville | 121,088 | 100% | 24,224 | 15,491 | — | 4Q 13 | 4Q 13 |
| 7200 Redstone Gateway Huntsville, Alabama | Huntsville | 61,724 | 10% | 8,357 | 4,935 | — | 4Q 12 | 4Q 13 |
| Total Under Construction | | 1,276,207 | 88% | \$ 234,038 | \$ 134,381 | \$ 4,100 | | |

(1) Includes properties under active construction and properties that we were contractually committed to construct.

(2) Cost includes land, construction, leasing costs and allocated portion of structured parking and other shared infrastructure, if applicable.

(3) Anticipated operational date is the estimated date when leases have commenced on 100% of a property's space or one year from the cessation of major construction activities.

(4) No square feet were partially operational in these projects as of 9/30/13.

Corporate Office Properties Trust
Summary of Redevelopment Projects as of 9/30/13
(dollars in thousands)

| Property and Location | Park/Submarket | Total Rentable Square Feet | Percentage Leased as of 9/30/2013 | as of 9/30/13 (1) | | | Actual or Anticipated Shell Completion Date | Anticipated Operational Date (2) |
|---|--------------------------|----------------------------|-----------------------------------|------------------------|------------------|--------------------------------|---|----------------------------------|
| | | | | Anticipated Total Cost | Cost to Date | Cost to Date Placed in Service | | |
| 721 Arbor Way (Hillcrest II) Blue Bell, Pennsylvania | (3) Greater Philadelphia | 183,416 | 65% | \$ 32,597 | \$ 26,754 | \$ 20,501 | 2Q 13 | 2Q 14 |
| 6708 Alexander Bell Drive Columbia, Maryland | Howard Co. Perimeter | 52,000 | 0% | 11,621 | 3,769 | 3,769 | 4Q 14 | 4Q 15 |
| Total Under Redevelopment | | 235,416 | 51% | \$ 44,218 | \$ 30,523 | \$ 24,270 | | |

(1) Cost includes construction, leasing costs and allocated portion of shared infrastructure.

(2) Anticipated operational date is the estimated date when leases have commenced on 100% of a property's space or one year from the cessation of major construction activities.

(3) Although classified as "Redevelopment," 111,862 square feet are operational; this partially operational property had NOI of \$492,000 and cash NOI of (\$117,000) for the three months ended 9/30/13

Corporate Office Properties Trust
Summary of Land and Pre-Construction as of 9/30/13 (1)

| Location | Acres | Estimated Developable Square Feet (in thousands) | Costs to Date as of 9/30/13 (4) |
|---|--------------|--|---------------------------------------|
| Strategic Land | | | |
| Baltimore/Washington Corridor | | | |
| National Business Park | 200 | 2,166 | |
| Columbia Gateway | 22 | 560 | |
| Airport Square | 5 | 84 | |
| Arundel Preserve (2) | 89 | 1,080 | |
| Subtotal | 316 | 3,890 | |
| Northern Virginia | 103 | 2,435 | |
| San Antonio, Texas | 78 | 1,193 | |
| Huntsville, Alabama | 440 | 4,173 | |
| St. Mary's & King George Counties | 44 | 109 | |
| Greater Baltimore | 49 | 1,478 | |
| Suburban Maryland | 49 | 525 | |
| Total strategic land held and pre-construction | 1,079 | 13,803 | \$ 257,605 |
| Non-Strategic Land | | | |
| Baltimore/Washington Corridor | 7 | 65 | |
| Greater Baltimore | 128 | 1,352 | |
| Suburban Maryland | 107 | 1,000 | |
| Colorado Springs, Colorado | 175 | 2,570 | |
| Greater Philadelphia, Pennsylvania | 8 | 604 | |
| Other (3) | 217 | 967 | |
| Total non-strategic land held | 642 | 6,558 | 94,445 |
| Total land held and pre-construction | 1,721 | 20,361 | \$ 352,050 |

- (1) This land inventory schedule excludes all properties listed as construction or redevelopment as detailed on pages 24 and 25, and includes properties under ground lease to us.
- (2) This land includes approximately 56 acres under contract to be purchased.
- (3) This land is being put back to the jurisdictional county per a development agreement described under "Consolidated Joint Ventures."
- (4) Represents total costs to date included in "projects in development or held for future development," as reported on page 23 (in thousands).

Corporate Office Properties Trust
Quarterly Equity Analysis
(dollars, shares and units in thousands, except per share amounts)

| SHAREHOLDER CLASSIFICATION | | | | | |
|---|---------------------|---------------------|--|---------------------|------------------------------------|
| As of September 30, 2013: | Common Shares | Common Units | As if Converted Preferred Shares/Units | Total | Diluted Ownership % of Total |
| Insiders | 656 | 3,121 | — | 3,777 | 4.11% |
| Non-insiders | 86,725 | 857 | 610 | 88,192 | 95.89% |
| Total | 87,381 | 3,978 | 610 | 91,969 | 100.00% |
| COMMON EQUITY - End of Quarter | | | | | |
| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 |
| Unrestricted Common Shares | 86,998 | 85,461 | 85,369 | 80,518 | 71,730 |
| Restricted Common Shares | 383 | 384 | 389 | 435 | 428 |
| Common Shares | 87,381 | 85,845 | 85,758 | 80,953 | 72,158 |
| Common Units | 3,978 | 3,789 | 3,819 | 4,068 | 4,207 |
| Total | 91,359 | 89,634 | 89,577 | 85,021 | 76,365 |
| End of Quarter Common Share Price | \$ 23.10 | \$ 25.50 | \$ 26.68 | \$ 24.98 | \$ 23.97 |
| Market Value of Common Shares/Units | \$ 2,110,393 | \$ 2,285,667 | \$ 2,389,914 | \$ 2,123,825 | \$ 1,830,469 |
| PREFERRED EQUITY - End of Quarter | | | | | |
| Nonconvertible Preferred Equity - liquidation preference | | | | | |
| Redeemable Series H Shares - 7.5% | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Redeemable Series J Shares - 7.625% (1) | — | — | 84,750 | 84,750 | 84,750 |
| Redeemable Series L Shares Outstanding - 7.375% | 172,500 | 172,500 | 172,500 | 172,500 | 172,500 |
| Total Nonconvertible Preferred Equity | 222,500 | 222,500 | 307,250 | 307,250 | 307,250 |
| Convertible Preferred Equity - liquidation preference | | | | | |
| Convertible Series I Units - 7.5% (2) | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 |
| Convertible Series K Shares - 5.6% (3) | 26,583 | 26,583 | 26,583 | 26,583 | 26,583 |
| Total Convertible Preferred Equity | 35,383 | 35,383 | 35,383 | 35,383 | 35,383 |
| Total Liquidation Preference of Preferred Equity | \$ 257,883 | \$ 257,883 | \$ 342,633 | \$ 342,633 | \$ 342,633 |
| CAPITALIZATION | | | | | |
| Liquidation Preference of Preferred Shares/Units | \$ 257,883 | \$ 257,883 | \$ 342,633 | \$ 342,633 | \$ 342,633 |
| Market Value of Common Shares/Units | 2,110,393 | 2,285,667 | 2,389,914 | 2,123,825 | 1,830,469 |
| Total Equity Market Capitalization | \$ 2,368,276 | \$ 2,543,550 | \$ 2,732,547 | \$ 2,466,458 | \$ 2,173,102 |

(1) These shares were redeemed on April 22, 2013.

(2) 352 units outstanding with a liquidation preference of \$25 per unit, and convertible into 176 common units.

(3) 532 shares outstanding with a liquidation preference of \$50 per share, and convertible into 434 shares.

Corporate Office Properties Trust
Debt Analysis as of September 30, 2013
(dollars in thousands)

| | Stated Rate | GAAP Effective Rate | Weighted Average Maturity (in Years) | Maximum Availability | Outstanding Balance | Average Stated Interest Rates for Three Months Ended 9/30/13 |
|--|-------------|---------------------|--------------------------------------|----------------------|----------------------------|--|
| Debt Outstanding | | | | | | |
| <u>Fixed rate</u> | | | | | | |
| Secured debt | 5.98% | 5.87% | 2.8 | (1) | \$ 882,311 | 6.1% |
| Senior Unsecured Notes | 4.28% | 4.44% | 9.9 | | 592,543 | 3.8% |
| Exchangeable Senior Notes | 4.25% | 6.05% | 1.6 | | 560 | 4.3% |
| Other Unsecured Debt | 0.00% | 6.50% | 12.6 | | 1,723 | —% |
| Total fixed rate debt | 5.28% | 5.30% | 5.7 | | <u>\$ 1,477,137</u> | 5.3% |
| <u>Variable rate</u> | | | | | | |
| Secured debt | 2.43% | 2.43% | 2.1 | | \$ 37,894 | 2.5% |
| Unsecured Revolving Credit Facility | 1.45% | 1.45% | 3.8 | \$ 800,000 | — | 1.6% |
| Construction Loans | N/A | N/A | N/A | N/A | — | —% |
| Other Unsecured Debt | 1.80% | 1.80% | 3.3 | | 620,000 | 1.9% |
| Total variable rate debt | 1.84% | 1.84% | 3.2 | | <u>\$ 657,894</u> | 2.4% (2)(3) |
| Total consolidated debt outstanding | 4.23% | 4.23% | 4.9 | | <u><u>\$ 2,135,031</u></u> | 4.2% (2)(3) |
| Variable Rate Loans Subject to Interest Rate Swaps (2) | | | | | \$ 437,894 | 0.6% |
| % of Fixed Rate Loans (2) | | | | | 89.7% | |
| % of Variable Rate Loans (2) | | | | | 10.3% | |
| | | | | | <u>100.0%</u> | |
| Recourse debt | | | | | \$ 1,261,324 | |
| Nonrecourse debt | | | | | 873,707 | |
| Total consolidated debt outstanding | | | | | <u><u>\$ 2,135,031</u></u> | |

(1) Includes \$2.7 million balance on construction loans with maximum available borrowings of \$26.2 million.

(2) Includes the effect of interest rate swaps in effect during certain of the periods set forth above that hedge the risk of changes in interest rates on certain of our one-month LIBOR-based variable rate debt.

(3) Includes facility commitment and unused borrowing capacity fees incurred for our Unsecured Revolving Credit Facility.

Corporate Office Properties Trust
Debt Analysis (continued)
(dollars in thousands)

| | September 30, 2013 | |
|---|---------------------------------------|--------------------------------------|
| Secured debt | \$ | 920,205 |
| Unsecured debt | | 1,214,826 |
| Total consolidated debt outstanding | \$ | 2,135,031 |
| Unencumbered adjusted book | \$ | 3,391,371 |
| Encumbered adjusted book | | 1,190,214 |
| Total adjusted book | \$ | 4,581,585 |
| # of Operating Office Properties | | |
| Unencumbered | | 152 |
| Encumbered | | 58 |
| Total | | 210 |
| Square Feet of Office Properties (in thousands) | | |
| Unencumbered | | 13,329 |
| Encumbered | | 5,875 |
| Total | | 19,204 |
| Three Months Ended 9/30/13 | | |
| Unencumbered NOI from real estate operations | \$ | 51,713 |
| Encumbered NOI from real estate operations | | 27,963 |
| Total NOI from real estate operations | \$ | 79,676 |
| Unencumbered adjusted EBITDA | \$ | 44,765 |
| Encumbered adjusted EBITDA | | 27,735 |
| Total adjusted EBITDA | \$ | 72,500 |
| Debt ratios (coverage ratios excluding capitalized interest) — All coverage computations include discontinued operations | | |
| | Three Months Ended 9/30/13 | Nine Months Ended 9/30/13 |
| Adjusted EBITDA debt service coverage ratio | 3.2x | 3.2x |
| Adjusted EBITDA fixed charge coverage ratio | 2.9x | 2.8x |
| Debt to Adjusted EBITDA ratio | 7.4x | 7.3x |
| As of and for Three Months Ended 9/30/13 | | |
| Unsecured Senior Notes Covenants | Actual | Required |
| Total Debt / Total Assets | 46.5% | Less than 60% |
| Secured Debt / Total Assets | 18.8% | Less than 40% |
| Debt Service Coverage | 2.9x | Greater than 1.5x |
| Unencumbered Assets / Unsecured Debt | 265.0% | Greater than 150% |

Corporate Office Properties Trust
Debt Maturity Schedule
(dollars in thousands)

| | Stated Rate | GAAP Effective Rate | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | Thereafter | Total |
|--|----------------|---------------------------|----------|------------|------------|------------|------------|----------|-------------------|--------------------|
| Unsecured Debt | | | | | | | | | | |
| Unsecured Revolving Credit Facility (1)(2) | LIBOR + 1.30% | 1.45% | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Senior Unsecured Notes | | | | | | | | | | |
| Due 5/15/23 | 3.60% | 3.70% | — | — | — | — | — | — | 350,000 | 350,000 |
| Due 2/15/24 | 5.25% | 5.49% | — | — | — | — | — | — | 250,000 | 250,000 |
| Total Senior Unsecured Notes | | | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 600,000 | \$ 600,000 |
| Exchangeable Senior Notes | 4.25% | 6.05% | \$ — | \$ — | \$ 575 | \$ — | \$ — | \$ — | \$ — | \$ 575 |
| Other Unsecured Debt | | | | | | | | | | |
| 2015 maturities (2) | LIBOR + 1.50% | 1.69% | \$ — | \$ — | \$ 250,000 | \$ — | \$ — | \$ — | \$ — | \$ 250,000 |
| 2017 maturities (3) | LIBOR + 1.50% | 1.69% | — | — | — | — | 250,000 | — | — | 250,000 |
| 2019 maturities | LIBOR + 2.10% | 2.28% | — | — | — | — | — | — | 120,000 | 120,000 |
| 2026 maturities | —% | —% | 50 | 200 | 200 | 200 | 200 | 200 | 1,461 | 2,511 |
| Total Other Unsecured Debt | | | \$ 50 | \$ 200 | \$ 250,200 | \$ 200 | \$ 250,200 | \$ 200 | \$ 121,461 | \$ 622,511 |
| Total Unsecured Debt | | | \$ 50 | \$ 200 | \$ 250,775 | \$ 200 | \$ 250,200 | \$ 200 | \$ 721,461 | \$ 1,223,086 |
| Fixed Rate Secured Debt | | | | | | | | | | |
| 2014 maturities | 6.41% | 5.79% | \$ 867 | \$ 153,001 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 153,868 |
| 2015 maturities | 5.60% | 5.53% | — | — | 103,000 | — | — | — | — | 103,000 |
| 2016 maturities | 6.57% | 6.19% | 918 | 3,842 | 4,128 | 277,886 | — | — | — | 286,774 |
| 2017 maturities | 5.54% | 5.66% | 43 | 179 | 189 | 200 | 300,802 | — | — | 301,413 |
| Thereafter | 4.17% | 4.24% | 230 | 949 | 1,000 | 1,053 | 1,113 | 1,174 | 31,257 | 36,776 |
| Total Fixed Rate Secured Debt | | | 2,058 | 157,971 | 108,317 | 279,139 | 301,915 | 1,174 | 31,257 | 881,831 |
| Variable Rate Secured Debt | LIBOR + 2.25% | 2.43% | 203 | 814 | 36,877 | — | — | — | — | 37,894 |
| Total Secured Debt | | | \$ 2,261 | \$ 158,785 | \$ 145,194 | \$ 279,139 | \$ 301,915 | \$ 1,174 | \$ 31,257 | \$ 919,725 |
| Total Debt | | | \$ 2,311 | \$ 158,985 | \$ 395,969 | \$ 279,339 | \$ 552,115 | \$ 1,374 | \$ 752,718 | \$ 2,142,811 |
| Fixed Rate Debt | 5.29% | 5.30% | \$ 2,108 | \$ 158,171 | \$ 109,092 | \$ 279,339 | \$ 302,115 | \$ 1,374 | \$ 632,718 | \$ 1,484,917 |
| Variable Rate Debt | 1.84% | 1.84% | 203 | 814 | 286,877 | — | 250,000 | — | 120,000 | 657,894 |
| Total Debt | | | \$ 2,311 | \$ 158,985 | \$ 395,969 | \$ 279,339 | \$ 552,115 | \$ 1,374 | \$ 752,718 | \$ 2,142,811 |
| Balloon Payments | | | \$ — | \$ 151,681 | \$ 389,751 | \$ 274,605 | \$ 550,610 | \$ — | \$ 746,864 | \$ 2,113,511 |
| Scheduled Principal Amortization | | | 2,311 | 7,304 | 6,218 | 4,734 | 1,505 | 1,374 | 5,854 | 29,300 |
| Total Debt | | | \$ 2,311 | \$ 158,985 | \$ 395,969 | \$ 279,339 | \$ 552,115 | \$ 1,374 | \$ 752,718 | \$ 2,142,811 |
| | | | | | | | | | Net discount | (7,780) |
| | | | | | | | | | Consolidated debt | <u>\$2,135,031</u> |

(1) Matures in July 2017, and may be extended by one-year at our option, subject to certain conditions.

(2) May be extended by two one-year periods at our option, subject to certain conditions.

(3) May be extended by one-year at our option, subject to certain conditions.

Corporate Office Properties Trust
Consolidated Joint Ventures as of 9/30/13
(dollars and square feet in thousands)

| Operating Properties | Operational Square Feet | Occupancy | Total Assets (1) | Property Level Debt | % COPT Owned |
|--|----------------------------|--------------|---------------------|------------------------|-----------------|
| Suburban Maryland: | | | | | |
| MOR Forbes 2 LLC | 56 | 90.9% | \$ 4,132 | \$ — | 50% |
| M Square Associates, LLC (2 properties) | 242 | 96.9% | 55,656 | 37,894 | 50% |
| Huntsville, AL: | | | | | |
| LW Redstone Company, LLC (1 property) | 121 | 100.0% | 24,016 | 12,030 | 85% |
| Total/Average | 419 | 97.0% | \$ 83,804 | \$ 49,924 | |
| NOI of Operating Properties for Three Months Ended 9/30/13 (2) | \$ 1,896 | | | | |
| NOI of Operating Properties for Nine Months Ended 9/30/13 (2) | \$ 5,375 | | | | |

| Non-operational Properties | Estimated Developable Square Feet | Total Assets (1) | Property Level Debt | % COPT Owned |
|-------------------------------|---|---------------------|------------------------|-----------------|
| Suburban Maryland: | | | | |
| Indian Head Technology Center | | | | |
| Business Park (3) | 967 | \$ 6,447 | \$ — | 75% |
| M Square Research Park | 525 | 5,223 | — | 50% |
| Huntsville, Alabama: | | | | |
| Redstone Gateway | 4,477 | 90,125 | 2,669 | 85% |
| Total | 5,969 | \$ 101,795 | \$ 2,669 | |

- (1) Total assets includes the total assets recorded on the books of the consolidated joint venture plus any outside investment basis related to the applicable joint venture and related joint ventures (formed and to be formed).
- (2) Represents gross NOI of the joint venture operating properties before allocation to joint venture partners.
- (3) During 2012, the joint venture exercised its option under its development agreement with the project's jurisdictional county to require the county to repurchase the joint venture's land at its original acquisition cost. Under the terms of the agreement with the county, the repurchase must occur by August 2014.

Corporate Office Properties Trust
Supplementary Reconciliations of Non-GAAP Measures
(in thousands)

| | Three Months Ended | | | | | Nine Months Ended | |
|--|--------------------|-------------------|------------------|------------------|--------------------|-------------------|-------------------|
| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 | 9/30/13 | 9/30/12 |
| Net (loss) income | \$ (2,000) | \$ (4,405) | \$ 15,277 | \$ 19,010 | \$ (20,765) | \$ 8,872 | \$ 1,331 |
| Interest expense on continuing and discontinued operations | 21,310 | 23,369 | 22,371 | 22,782 | 23,366 | 67,050 | 74,016 |
| Income tax expense | 24 | 21 | 16 | 54 | 106 | 61 | 327 |
| Depreciation of furniture, fixtures and equipment (FF&E) | 502 | 527 | 530 | 610 | 624 | 1,559 | 1,871 |
| Real estate-related depreciation and amortization | 29,210 | 28,935 | 28,252 | 28,560 | 30,624 | 86,397 | 93,377 |
| Impairment losses | 22,074 | 7,195 | 1,857 | 2,140 | 55,829 | 31,126 | 64,770 |
| Loss (gain) on early extinguishment of debt on continuing and discontinued operations | 374 | 21,470 | 5,184 | 6 | (970) | 27,028 | (799) |
| Gain on sales of operating properties | — | — | — | 8 | (16,913) | — | (20,936) |
| Non-operational property sales | — | (329) | (2,354) | — | — | (2,683) | (33) |
| Net loss (gain) on investments in unconsolidated entities included in interest and other income | 1,006 | (961) | (60) | (2,992) | (81) | (15) | (597) |
| Operating property acquisition costs | — | — | — | — | 222 | — | 229 |
| Adjusted EBITDA | \$ 72,500 | \$ 75,822 | \$ 71,073 | \$ 70,178 | \$ 72,042 | \$ 219,395 | \$ 213,556 |
| Add back: | | | | | | | |
| General, administrative and leasing expenses on continuing and discontinued operations | 8,027 | 6,583 | 7,821 | 7,103 | 6,378 | 22,431 | 24,800 |
| Business development expenses and land carry costs on continuing and discontinued operations, excluding operating property acquisition costs | 1,383 | 1,327 | 1,359 | 1,205 | 1,410 | 4,069 | 4,301 |
| Depreciation of FF&E | (502) | (527) | (530) | (610) | (624) | (1,559) | (1,871) |
| Income from construction contracts and other service operations | (685) | (1,413) | (785) | (750) | (873) | (2,883) | (2,510) |
| Interest and other income, excluding net loss/gain on investments in unconsolidated entities | (1,003) | (1,045) | (886) | (1,028) | (1,014) | (2,934) | (2,555) |
| Equity in (income) loss of unconsolidated entities | (44) | (126) | (41) | 24 | 246 | (211) | 522 |
| NOI from real estate operations | \$ 79,676 | \$ 80,621 | \$ 78,011 | \$ 76,122 | \$ 77,565 | \$ 238,308 | \$ 236,243 |

Corporate Office Properties Trust
Supplementary Reconciliations of Non-GAAP Measures (continued)
(dollars in thousands)

| | Three Months Ended | | | | | Nine Months Ended | |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 | 9/30/13 | 9/30/12 |
| Discontinued Operations | | | | | | | |
| Revenues from real estate operations | \$ 5,521 | \$ 5,546 | \$ 5,719 | \$ 5,585 | \$ 6,902 | \$ 16,786 | \$ 35,305 |
| Property operating expenses | (1,403) | (1,246) | (1,547) | (1,605) | (2,225) | (4,196) | (12,191) |
| Depreciation and amortization | — | (69) | (89) | (92) | (2,020) | (158) | (8,744) |
| General, administrative and leasing expenses | — | — | (1) | — | (1) | (1) | (3) |
| Business development expenses and land carry costs | — | — | — | — | — | — | (24) |
| Interest | (68) | (67) | (64) | (67) | (127) | (199) | (2,107) |
| Gain on early extinguishment of debt | — | — | — | — | 1,738 | — | 1,736 |
| Impairment losses | (5,774) | (7,195) | (1,857) | (186) | (9,733) | (14,826) | (23,510) |
| (Loss) gain on sales of depreciated real estate properties | — | — | — | (8) | 16,913 | — | 20,948 |
| Discontinued operations | \$ (1,724) | \$ (3,031) | \$ 2,161 | \$ 3,627 | \$ 11,447 | \$ (2,594) | \$ 11,410 |
| GAAP revenues from real estate operations from continuing operations | \$ 119,040 | \$ 119,729 | \$ 116,358 | \$ 116,979 | \$ 114,362 | \$ 355,127 | \$ 335,231 |
| Revenues from discontinued operations | 5,521 | 5,546 | 5,719 | 5,585 | 6,902 | 16,786 | 35,305 |
| Real estate revenues | \$ 124,561 | \$ 125,275 | \$ 122,077 | \$ 122,564 | \$ 121,264 | \$ 371,913 | \$ 370,536 |
| GAAP property operating expenses from continuing operations | \$ 43,482 | \$ 43,408 | \$ 42,519 | \$ 44,837 | \$ 41,474 | \$ 129,409 | \$ 122,102 |
| Property operating expenses from discontinued operations | 1,403 | 1,246 | 1,547 | 1,605 | 2,225 | 4,196 | 12,191 |
| Real estate property operating expenses | \$ 44,885 | \$ 44,654 | \$ 44,066 | \$ 46,442 | \$ 43,699 | \$ 133,605 | \$ 134,293 |
| Gain on sales of real estate, net, per statements of operations | \$ — | \$ 329 | \$ 2,354 | \$ — | \$ — | \$ 2,683 | \$ 21 |
| (Loss) gain on sales of real estate from discontinued operations | — | — | — | (8) | 16,913 | — | 20,948 |
| Gain on sales of real estate from continuing and discontinued operations | — | 329 | 2,354 | (8) | 16,913 | 2,683 | 20,969 |
| Less: Gain on sales of non-operating properties | — | (329) | (2,354) | — | — | (2,683) | (33) |
| Loss (gain) on sales of operating properties | \$ — | \$ — | \$ — | \$ (8) | \$ 16,913 | \$ — | \$ 20,936 |
| Impairment losses, per statements of operations | \$ 16,300 | \$ — | \$ — | \$ 1,954 | \$ 46,096 | \$ 16,300 | \$ 41,260 |
| Impairment losses on discontinued operations | 5,774 | 7,195 | 1,857 | 186 | 9,733 | 14,826 | 23,510 |
| Total impairment losses | 22,074 | 7,195 | 1,857 | 2,140 | 55,829 | 31,126 | 64,770 |
| Less: Impairment losses on previously depreciated operating properties | (22,074) | (7,195) | (1,857) | (247) | (55,829) | (31,126) | (70,016) |
| Impairment losses (recoveries) on non-operating properties | — | — | — | 1,893 | — | — | (5,246) |
| Less: Income tax expense from impairments on non-operating properties | — | — | — | — | — | — | 673 |
| Impairment losses (recoveries) on non-operating properties, net of tax | \$ — | \$ — | \$ — | \$ 1,893 | \$ — | \$ — | \$ (4,573) |

Corporate Office Properties Trust
Supplementary Reconciliations of Non-GAAP Measures (continued)
(dollars in thousands)

| | Three Months Ended | | | | | Nine Months Ended | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 9/30/13 | 6/30/13 | 3/31/13 | 12/31/12 | 9/30/12 | 9/30/13 | 9/30/12 |
| Depreciation and amortization associated with real estate operations from continuing operations | \$ 29,210 | \$ 28,866 | \$ 28,163 | \$ 28,468 | \$ 28,604 | \$ 86,239 | \$ 84,633 |
| Depreciation and amortization from discontinued operations | — | 69 | 89 | 92 | 2,020 | 158 | 8,744 |
| Real estate-related depreciation and amortization | \$ 29,210 | \$ 28,935 | \$ 28,252 | \$ 28,560 | \$ 30,624 | \$ 86,397 | \$ 93,377 |
| Interest expense from continuing operations | \$ 21,242 | \$ 23,302 | \$ 22,307 | \$ 22,715 | \$ 23,239 | \$ 66,851 | \$ 71,909 |
| Interest expense from discontinued operations | 68 | 67 | 64 | 67 | 127 | 199 | 2,107 |
| Total interest expense | 21,310 | 23,369 | 22,371 | 22,782 | 23,366 | 67,050 | 74,016 |
| Less: Amortization of deferred financing costs | (1,321) | (1,443) | (1,528) | (1,547) | (1,527) | (4,292) | (4,696) |
| Less: Amortization of net debt discounts and premiums, net of amounts capitalized | 121 | (556) | (628) | (693) | (683) | (1,063) | (2,028) |
| Denominator for interest coverage | 20,110 | 21,370 | 20,215 | 20,542 | 21,156 | 61,695 | 67,292 |
| Scheduled principal amortization | 2,226 | 2,491 | 2,512 | 2,590 | 2,791 | 7,229 | 9,094 |
| Denominator for debt service coverage | 22,336 | 23,861 | 22,727 | 23,132 | 23,947 | 68,924 | 76,386 |
| Scheduled principal amortization | (2,226) | (2,491) | (2,512) | (2,590) | (2,791) | (7,229) | (9,094) |
| Preferred share dividends - redeemable non-convertible | 4,490 | 4,885 | 6,106 | 6,106 | 6,546 | 15,481 | 14,738 |
| Preferred unit distributions | 165 | 165 | 165 | 165 | 165 | 495 | 495 |
| Denominator for fixed charge coverage | \$ 24,765 | \$ 26,420 | \$ 26,486 | \$ 26,813 | \$ 27,867 | \$ 77,671 | \$ 82,525 |
| Preferred share dividends | \$ 4,490 | \$ 4,885 | \$ 6,106 | \$ 6,106 | \$ 6,546 | \$ 15,481 | \$ 14,738 |
| Preferred unit distributions | 165 | 165 | 165 | 165 | 165 | 495 | 495 |
| Common share dividends | 24,022 | 23,604 | 23,594 | 22,255 | 19,837 | 71,220 | 59,465 |
| Common unit distributions | 1,094 | 1,042 | 1,050 | 1,119 | 1,157 | 3,186 | 3,498 |
| Total dividends/distributions | \$ 29,771 | \$ 29,696 | \$ 30,915 | \$ 29,645 | \$ 27,705 | \$ 90,382 | \$ 78,196 |
| Common share dividends | \$ 24,022 | \$ 23,604 | \$ 23,594 | \$ 22,255 | \$ 19,837 | \$ 71,220 | \$ 59,465 |
| Common unit distributions | 1,094 | 1,042 | 1,050 | 1,119 | 1,157 | 3,186 | 3,498 |
| Dividends and distributions for payout ratios | \$ 25,116 | \$ 24,646 | \$ 24,644 | \$ 23,374 | \$ 20,994 | \$ 74,406 | \$ 62,963 |
| Total Assets | \$ 3,755,588 | \$ 3,699,635 | \$ 3,685,099 | \$ 3,653,759 | \$ 3,597,656 | \$ 3,755,588 | \$ 3,597,656 |
| Accumulated depreciation | 612,369 | 597,783 | 576,299 | 555,975 | 565,724 | 612,369 | 565,724 |
| Accumulated depreciation included in assets held for sale | 8,845 | 12,201 | 12,201 | 12,201 | 12,669 | 8,845 | 12,669 |
| Accumulated amort. of real estate intangibles and deferred leasing costs | 195,559 | 189,330 | 184,097 | 181,834 | 174,466 | 195,559 | 174,466 |
| Accumulated amortization of real estate intangibles and deferred leasing costs included in assets held for sale | 9,224 | 9,216 | 9,208 | 9,199 | 9,191 | 9,224 | 9,191 |
| Denominator for debt to adjusted book | \$ 4,581,585 | \$ 4,508,165 | \$ 4,466,904 | \$ 4,412,968 | \$ 4,359,706 | \$ 4,581,585 | \$ 4,359,706 |

Corporate Office Properties Trust
Definitions

Non-GAAP Measures

We believe that the measures defined below that are not determined in accordance with generally accepted accounting principles (“GAAP”) are helpful to investors in measuring our performance and comparing it to that of other real estate investment trusts (“REITs”). Since these measures exclude certain items includable in their respective most comparable GAAP measures, reliance on the measures has limitations; management compensates for these limitations by using the measures simply as supplemental measures that are weighed in balance with other GAAP and non-GAAP measures. These measures are not necessarily indications of our cash flow available to fund cash needs. Additionally, they should not be used as an alternative to the respective most comparable GAAP measures when evaluating our financial performance or to cash flow from operating, investing and financing activities when evaluating our liquidity or ability to make cash distributions or pay debt service.

Adjusted Book

Defined as total assets presented on our consolidated balance sheet excluding the effect of accumulated depreciation on real estate properties, accumulated amortization of intangible assets on real estate acquisitions and accumulated amortization of deferred leasing costs.

Adjusted Earnings Before Interest, Income Taxes, Depreciation and Amortization (“Adjusted EBITDA”)

Adjusted EBITDA is net income (loss) adjusted for the effects of interest expense, depreciation and amortization, impairment losses, gain on sales of properties, gain or loss on early extinguishment of debt, net gain on unconsolidated entities, operating property acquisition costs, loss on interest rate derivatives and income taxes. We believe that adjusted EBITDA is a useful supplemental measure of performance for assessing our un-levered performance. We believe that net income (loss) is the most directly comparable GAAP measure to adjusted EBITDA.

Amortization of Acquisition Intangibles Included in Net Operating Income

Represents the amortization of intangible asset and liability categories that is included in net operating income, including amortization of above- or below-market leases and above- or below-market cost arrangements.

Basic FFO available to common share and common unit holders (“Basic FFO”)

This measure is FFO adjusted to subtract (1) preferred share dividends, (2) income attributable to noncontrolling interests through ownership of preferred units in Corporate Office Properties, L.P. (the “Operating Partnership”) or interests in other consolidated entities not owned by us, (3) depreciation and amortization allocable to noncontrolling interests in other consolidated entities, (4) Basic FFO allocable to restricted shares and (5) issuance costs associated with redeemed preferred shares. With these adjustments, Basic FFO represents FFO available to common shareholders and holders of common units in the Operating Partnership (“common units”). Common units are substantially similar to our common shares of beneficial interest (“common shares”) and are exchangeable into common shares, subject to certain conditions. We believe that Basic FFO is useful to investors due to the close correlation of common units to common shares. We believe that net (loss) income is the most directly comparable GAAP measure to Basic FFO.

Cash net operating income (“Cash NOI”)

Defined as NOI from real estate operations adjusted to eliminate the effects of noncash rental revenues and property operating expenses (comprised of straight-line rental adjustments, which includes the amortization of tenant incentives, and amortization of acquisition intangibles included in FFO and NOI). Under GAAP, rental revenue is recognized evenly over the term of tenant leases. Many leases provide for contractual rent increases and the effect of accounting under GAAP for such leases is to accelerate the recognition of lease revenue. Since some leases provide for periods under the lease in which rental concessions are provided to tenants, the effect of accounting under GAAP is to allocate rental revenue to such periods. Also under GAAP, when a property is acquired, we allocate the acquisition to certain intangible components (including above- and below-market leases and above- or below-market cost arrangements), which are then amortized into FFO and NOI over their estimated lives. We believe that Cash NOI is an important supplemental measure of operating performance for a REIT’s operating real estate because it makes adjustments to NOI for the above stated items that are not associated with cash to us. As is the case with NOI, the measure is useful in our opinion in evaluating and comparing the performance of

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geographic segments, same-office property groupings and individual properties. We believe that net (loss) income is the most directly comparable GAAP measure to Cash NOI.

Cash NOI, excluding gross lease termination fees

Defined as Cash NOI adjusted to eliminate the effects of lease termination fees paid by tenants to terminate their lease obligations prior to the end of the agreed lease terms. Lease termination fees are often recognized as revenue in large one-time lump sum amounts upon the termination of tenant leases. We believe that Cash NOI adjusted for lease termination fees is a useful supplemental measure of operating performance in evaluating same-office property groupings because it provides a means of evaluating the effect that lease terminations had on the performance of the property groupings. We believe that net (loss) income is the most directly comparable GAAP measure to Cash NOI, excluding gross lease termination fees.

Debt to Adjusted EBITDA ratio

Defined as debt divided by Adjusted EBITDA for the three month period that is annualized by multiplying by four.

Debt to Adjusted Book

Defined as the carrying value of our debt divided by Adjusted Book.

Diluted adjusted funds from operations available to common share and common unit holders (“Diluted AFFO”)

Defined as Diluted FFO, as adjusted for comparability, adjusted for the following: (1) the elimination of the effect of (a) noncash rental revenues and property operating expenses (comprised of straight-line rental adjustments, which includes the amortization of recurring tenant incentives, and amortization of acquisition intangibles included in FFO and NOI, both of which are described under “Cash NOI” below), (b) share-based compensation, net of amounts capitalized, (c) amortization of deferred financing costs, (d) amortization of debt discounts and premiums and (e) amortization of settlements of debt hedges; and (2) recurring capital expenditures. Recurring capital expenditures are defined as tenant improvements and incentives, building improvements and leasing costs for operating properties that are not (1) items contemplated prior to the acquisition of a property, (2) improvements associated with the expansion of a building or its improvements, (3) renovations to a building which change the underlying classification of the building (for example, from industrial to office or Class C office to Class B office) or (4) capital improvements that represent the addition of something new to the property rather than the replacement of something (for example, the addition of a new heating and air conditioning unit that is not replacing one that was previously there); recurring capital expenditures excludes expenditures of operating properties included in disposition plans during the period that were already sold or are held for future disposition. We believe that Diluted AFFO is an important supplemental measure of liquidity for an equity REIT because it provides management and investors with an indication of our ability to incur and service debt and to fund dividends and other cash needs. We believe that the numerator to diluted EPS is the most directly comparable GAAP measure to Diluted AFFO.

Diluted FFO available to common share and common unit holders (“Diluted FFO”)

Diluted FFO is Basic FFO adjusted to add back any changes in Basic FFO that would result from the assumed conversion of securities that are convertible or exchangeable into common shares. The computation of Diluted FFO assumes the conversion of common units in the Operating Partnership but does not assume the conversion of other securities that are convertible into common shares if the conversion of those securities would increase Diluted FFO per share in a given period. We believe that Diluted FFO is useful to investors because it is the numerator used to compute Diluted FFO per share, discussed below. We believe that the numerator to diluted EPS is the most directly comparable GAAP measure to Diluted FFO.

Diluted FFO available to common share and common unit holders, as adjusted for comparability (“Diluted FFO, as adjusted for comparability”) and FFO, as adjusted for comparability

Defined as Diluted FFO or FFO adjusted to exclude operating property acquisition costs, gains on sales of, and impairment losses on, properties other than previously depreciated operating properties, net of associated income tax, gain or loss on early extinguishment of debt, loss on interest rate derivatives and accounting charges for original issuance costs associated with redeemed preferred shares. We believe that the excluded items are not reflective of normal operations and, as a result, believe that a

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measure that excludes these items is a useful supplemental measure in evaluating operating performance. We believe that the numerator to diluted EPS is the most directly comparable GAAP measure to this non-GAAP measure.

Diluted FFO per share

Diluted FFO per share is (1) Diluted FFO divided by (2) the sum of the (a) weighted average common shares outstanding during a period, (b) weighted average common units outstanding during a period and (c) weighted average number of potential additional common shares that would have been outstanding during a period if other securities that are convertible or exchangeable into common shares were converted or exchanged. The computation of Diluted FFO per share assumes the conversion of common units in the Operating Partnership but does not assume the conversion of other securities that are convertible into common shares if the conversion of those securities would increase Diluted FFO per share in a given period. We believe that Diluted FFO per share is useful to investors because it provides investors with a further context for evaluating our FFO results in the same manner that investors use earnings per share ("EPS") in evaluating net (loss) income available to common shareholders. We believe that diluted EPS is the most directly comparable GAAP measure to Diluted FFO per share.

Diluted FFO per share, as adjusted for comparability

Defined as (1) Diluted FFO available to common share and common unit holders, as adjusted for comparability divided by (2) the sum of the (a) weighted average common shares outstanding during a period, (b) weighted average common units outstanding during a period and (c) weighted average number of potential additional common shares that would have been outstanding during a period if other securities that are convertible or exchangeable into common shares were converted or exchanged. The computation of this measure assumes the conversion of common units in the Operating Partnership but does not assume the conversion of other securities that are convertible into common shares if the conversion of those securities would increase the per share measure in a given period. As discussed above, we believe that the excluded items are not indicative of normal operations. As such, we believe that a measure that excludes these items is a useful supplemental measure in evaluating our operating performance. We believe that diluted EPS is the most directly comparable GAAP measure.

Dividend Coverage-Diluted FFO, Diluted FFO, as adjusted for comparability, and Dividend Coverage-Diluted AFFO

These measures divide either Diluted FFO, Diluted FFO, as adjusted for comparability, or Diluted AFFO by the sum of (1) dividends on common shares and (2) distributions to holders of interests in the Operating Partnership and dividends on convertible preferred shares when such distributions and dividends are included in Diluted FFO.

Funds from operations ("FFO" or "FFO per NAREIT")

Defined as net income (loss) computed using GAAP, excluding gains on sales of, and impairment losses on, previously depreciated operating properties and real estate-related depreciation and amortization. When multiple properties consisting of both operating and non-operating properties exist on a single tax parcel, we classify all of the gains on sales of, and impairment losses on, the tax parcel as all being for previously depreciated operating properties when most of the value of the parcel is associated with operating properties on the parcel. We believe that we use the National Association of Real Estate Investment Trust's ("NAREIT") definition of FFO, although others may interpret the definition differently and, accordingly, our presentation of FFO may differ from those of other REITs. We believe that FFO is useful to management and investors as a supplemental measure of operating performance because, by excluding gains related to sales of, and impairment losses on, previously depreciated operating properties and excluding real estate-related depreciation and amortization, FFO can help one compare our operating performance between periods. We believe that net (loss) income is the most directly comparable GAAP measure to FFO.

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Net operating income (“NOI”) from real estate operations

NOI is real estate revenues from continuing and discontinued operations reduced by total property expenses associated with real estate operations, including discontinued operations; total property expenses, as used in this definition, do not include depreciation, amortization or interest expense associated with real estate operations. We believe that NOI is an important supplemental measure of operating performance for a REIT’s operating real estate because it provides a measure of the core real estate operations that is unaffected by depreciation, amortization, financing and general, administrative and leasing expenses; we believe this measure is particularly useful in evaluating the performance of geographic segments, same-office property groupings and individual properties. We believe that net (loss) income is the most directly comparable GAAP measure to NOI.

NOI Debt Service Coverage Ratio and Adjusted EBITDA Debt Service Coverage Ratio

These measures divide either NOI from real estate operations or Adjusted EBITDA by the sum of interest expense on continuing and discontinued operations (excluding amortization of deferred financing costs and amortization of debt discounts and premiums, net of amounts capitalized) and scheduled principal amortization on mortgage loans for continuing and discontinued operations.

NOI Fixed Charge Coverage Ratio and Adjusted EBITDA Fixed Charge Coverage Ratio

These measures divide either NOI from real estate operations or Adjusted EBITDA by the sum of (1) interest expense on continuing and discontinued operations (excluding amortization of deferred financing costs and amortization of debt discounts and premiums, net of amounts capitalized), (2) dividends on preferred shares and (3) distributions on preferred units in the Operating Partnership not owned by us.

NOI Interest Coverage Ratio and Adjusted EBITDA Interest Coverage Ratio

These measures divide either NOI from real estate operations or Adjusted EBITDA by interest expense on continuing and discontinued operations (excluding amortization of deferred financing costs and amortization of debt discounts and premiums, net of amounts capitalized).

Real Estate Operating Margin

Defined as real estate revenue divided by NOI from real estate operations.

Payout ratios based on: Diluted FFO; Diluted FFO, as adjusted for comparability; and Diluted AFFO

These payout ratios are defined as (1) the sum of (a) dividends on common shares and (b) distributions to holders of interests in the Operating Partnership and dividends on convertible preferred shares when such distributions and dividends are included in Diluted FFO divided by (2) the respective non-GAAP measures on which the payout ratios are based.

Recurring Capital Expenditures

Definition is included above in the definition for Diluted AFFO.

Same Office Property NOI

Defined as NOI from real estate operations of Same Office Properties. We believe that Same Office Property NOI is an important supplemental measure of operating performance of Same Office Properties for the same reasons discussed above for NOI from real estate operations.

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Other Definitions

Acquisition Costs — Transaction costs expensed in connection with executed or anticipated acquisitions of operating properties.

Annualized Rental Revenue — The monthly contractual base rent as of the reporting date multiplied by 12, plus the estimated annualized expense reimbursements under existing office leases.

Construction Properties — Properties under active construction and properties that we were contractually committed to construct.

Core Portfolio — Operating properties held for long-term investment.

Demand Driver Adjacent Properties — Office properties held for long-term investment located near defense installations and other knowledge-based government demand drivers.

First Generation Space — Newly constructed or redeveloped space that has never been occupied.

Greater Washington, DC/Baltimore Region — Includes counties that comprise the Baltimore/Washington Corridor, Northern Virginia, Greater Baltimore, Suburban Maryland, St. Mary's & King George Counties, and the Washington, DC-Capitol Riverfront.

Operational Space — The portion of a property in operations (excludes portion under construction or redevelopment).

Pre-Construction Properties — Properties on which work associated with one or more of the following tasks is underway on a regular basis: pursuing entitlements, planning, design and engineering, bidding, permitting and premarketing/preleasing. Typically, these projects, as categorized in this Supplemental Information package, are targeted to begin construction in 12 months or less.

Redevelopment Properties — Properties previously in operations on which activities to substantially renovate such properties were underway or approved.

Regional Office — Regional office properties held for long-term investment predominantly in the Greater Washington, DC/Baltimore region, excluding Strategic Tenant Niche Properties.

Same Office Properties — Operating office properties owned and 100% operational since at least January 1, 2012, excluding properties held for future disposition.

Second Generation Space — Space leased that has been previously occupied.

Strategic Reallocation Plan — Plan approved by our Board of Trustees to dispose of properties that are no longer closely aligned with our strategy.

Strategic Tenant Niche Properties — Office properties held for long-term investment located near defense installations and other knowledge-based government demand drivers, or that were otherwise at least 50% leased as of most recent year end by United States Government agencies or defense contractors.

Unstabilized Properties — Properties with first generation operational space less than 90% occupied at period end.