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 27, 2004**

CORPORATE OFFICE PROPERTIES TRUST
(Exact name of registrant as specified in its charter)

Maryland	**1-14023**	**23-2947217**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

8815 Centre Park Drive, Suite 400
Columbia, Maryland 21045
(Address of principal executive offices)

(410) 730-9092
(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 27, 2004, the Registrant issued a press release relating to its financial results for the nine months and quarter ended September 30, 2004. A copy of the press release is included as Exhibit 99.1 to this report and is 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.

The Registrant uses non-GAAP financial measures in earnings press releases and information furnished to the Securities and Exchange Commission. The Registrant believes that these measures are helpful to investors in measuring its performance and comparing such performance to other real estate investment trusts ("REITs"). Descriptions of these measures are set forth below.

Earnings per diluted share ("diluted EPS"), as adjusted for issuance costs associated with redeemed preferred shares
This measure is defined as diluted EPS adjusted to eliminate an accounting charge for original issuance costs associated with the redemption of preferred shares of beneficial interest ("preferred shares"). The accounting charge pertains to a restructuring of the Company's equity and is not indicative of normal operations. As such, the Registrant believes that a measure that excludes the accounting charge is a useful supplemental measure in evaluating its operating performance. The Registrant believes that diluted EPS is the most comparable GAAP measure to this measure. A material limitation to this measure is that it does not reflect the effect of preferred share redemptions in accordance with GAAP; the Registrant compensates for this limitation by using diluted EPS and then supplementing its evaluation of that measure with the use of the non-GAAP measure.

Funds from operations ("FFO")
Funds from operations ("FFO") is defined as net income computed using GAAP, excluding gains (or losses) from sales of real estate, plus real estate-related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. Gains from sales of newly-developed properties less accumulated depreciation, if any, required under GAAP are included in FFO on the basis that development services are the primary revenue generating activity; the Registrant believes that inclusion of these development gains is in accordance with the National Association of Real Estate Investment Trusts' ("NAREIT") definition of FFO, although others may interpret the definition differently. Additionally, the repurchase of the Series C Preferred Units in the Operating Partnership for an amount in excess of their recorded book value was a transaction not contemplated in the NAREIT definition of FFO; the Registrant believes that the exclusion of such an amount from FFO is appropriate.

Accounting for real estate assets using historical cost accounting under GAAP assumes that the value of real estate assets diminishes predictably over time. NAREIT stated in its April 2002 White Paper on Funds from Operations that "since real estate asset values have historically risen or fallen with market conditions, many industry investors have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by

themselves." As a result, the concept of FFO was created by NAREIT for the REIT industry to "address this problem." The Registrant agrees with the concept of FFO and believes that FFO is useful to management and investors as a supplemental measure of operating performance because, by excluding gains and losses related to sales of previously depreciated operating real estate properties and excluding real estate-related depreciation and amortization, FFO can help one compare the Registrant's operating performance between periods. In addition, since most equity REITs provide FFO information to the investment community, the Registrant believes that FFO is useful to investors as a supplemental measure for comparing its results to those of other equity REITs. The Registrant believes that net income is the most directly comparable GAAP measure to FFO.

Since FFO excludes certain items includable in net income, reliance on the measure has limitations; management compensates for these limitations by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. FFO is not necessarily an indication of the Registrant's cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. The FFO presented by the Registrant may not be comparable to the FFO presented by other REITs since they may interpret the current NAREIT definition of FFO differently or they may not use the current NAREIT definition of FFO.

<u>Basic funds from operations ("Basic FFO")</u>
Basic FFO is FFO adjusted to (1) subtract preferred share dividends and (2) add back GAAP net income allocated to common units in Corporate Office Properties, L.P. (the "Operating Partnership") not owned by the Registrant. With these adjustments, Basic FFO represents FFO available to common shareholders and common unitholders. Common units in the Operating Partnership are substantially similar to common shares of beneficial interest in the Registrant ("common shares"); common units in the Operating Partnership are also exchangeable into common shares, subject to certain conditions. The Registrant believes that Basic FFO is useful to management and investors due to the close correlation of common units to common shares. The Registrant believes that net income is the most directly comparable GAAP measure to Basic FFO. Basic FFO has essentially the same limitations as FFO; management compensates for these limitations in essentially the same manner as described above for FFO.

<u>Diluted funds from operations per share ("Diluted FFO per share")</u>
Diluted FFO per share is (1) Basic FFO adjusted to add back any convertible preferred share dividends and any other changes in Basic FFO that would result from the assumed conversion of securities that are convertible or exchangeable into common shares 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. However, the computation of Diluted FFO per share does not assume conversion of securities that are convertible into common shares if the conversion of those securities would increase Diluted FFO per share in a given period. The Registrant believes that Diluted FFO per share is useful to investors because it provides investors with a further context for evaluating its FFO results in the same manner that investors use earnings per share in evaluating net income available to common shareholders. In addition, since most equity REITs provide Diluted FFO per share information to the investment community, the Registrant believes Diluted FFO per share is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant

believes that diluted EPS is the most directly comparable GAAP measure to Diluted FFO per share. Diluted FFO per share has most of the same limitations as Diluted FFO (described below); management compensates for these limitations in essentially the same manner as described below for Diluted FFO.

<u>Diluted funds from operations ("Diluted FFO")</u>
Diluted FFO is Basic FFO adjusted to add back any convertible preferred share dividends and any other changes in Basic FFO that would result from the assumed conversion of securities that are convertible or exchangeable into common shares. However, the computation of Diluted FFO does not assume conversion of securities that are convertible into common shares if the conversion of those securities would increase Diluted FFO per share in a given period. The Registrant believes that Diluted FFO is useful to management and investors because it is the numerator used to compute Diluted FFO per share, a supplementary measure used by most equity REITs. In addition, since most equity REITs provide Diluted FFO information to the investment community, the Registrant believes Diluted FFO is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant believes that the numerator to diluted EPS is the most directly comparable GAAP measure to Diluted FFO. Since Diluted FFO excludes certain items includable in the numerator to diluted EPS, reliance on the measure has limitations; management compensates for these limitations by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. Diluted FFO is not necessarily an indication of the Registrant's cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. The Diluted FFO presented by the Registrant may not be comparable to the Diluted FFO presented by other REITs.

<u>Diluted FFO excluding SFAS 141</u>
Diluted FFO excluding SFAS 141 is Diluted FFO adjusted to eliminate the amortization of the value assigned to in-place operating leases of acquired properties in connection with Statement of Financial Accounting Standards No. 141, "Business Combinations" (the "SFAS 141 revenue"). The Registrant believes that Diluted FFO excluding SFAS 141 is useful to management and investors in further evaluating its Diluted FFO since the amortization to revenue recorded in connection with SFAS 141 does not have a cash component. The Registrant believes that the numerator to diluted EPS is the most directly comparable GAAP measure to this non-GAAP measure. Diluted FFO excluding SFAS 141 has essentially the same limitations as Diluted FFO as well as the further limitation of not including the SFAS 141 revenue in accordance with GAAP. Management compensates for these limitations in essentially the same manner as described above for Diluted FFO.

<u>Diluted FFO, as adjusted for issuance costs associated with redeemed preferred shares</u>
Diluted FFO, as adjusted for issuance costs associated with redeemed preferred shares is Diluted FFO adjusted to eliminate an accounting charge for original issuance costs associated with the redemption of preferred shares of beneficial interest. The accounting charge pertains to a restructuring of the Company's equity and is not indicative of normal operations. As such, the Registrant believes that a measure that excludes the accounting charge is a useful supplemental measure in evaluating its operating performance. The Registrant believes that the numerator to diluted EPS is the most directly comparable GAAP measure to this non-GAAP measure. Diluted FFO, as adjusted for issuance costs associated with redeemed preferred shares has essentially the same limitations as Diluted FFO as well as the further limitation of not reflecting the effect of the preferred share redemption in accordance with GAAP; management compensates for these

limitations in essentially the same manner as described above for Diluted FFO.

<u>Diluted adjusted funds from operations ("Diluted AFFO")</u>
Diluted AFFO is Diluted FFO adjusted for the following: (1) the elimination of the effect of (a) noncash rental revenues (comprised of straight-line rental adjustments and SFAS 141 revenue) and (b) accounting charges for original issuance costs associated with redeemed preferred shares; and (2) recurring capital improvements (defined

below). The Registrant believes that Diluted AFFO is an important supplemental measure of liquidity for an equity REIT because it provides management and investors with an indication of its ability to incur and service debt and to fund dividends and other cash needs. In addition, since most equity REITs provide Diluted AFFO information to the investment community, the Registrant believes Diluted AFFO is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant believes that the numerator to diluted EPS is the most directly comparable GAAP measure to Diluted AFFO. Since Diluted AFFO excludes certain items includable in the numerator to diluted EPS, reliance on the measure has limitations; management compensates for these limitations by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. In addition, see the discussion below regarding the limitations of recurring capital improvements, which is used to derive Diluted AFFO. Diluted AFFO is not necessarily an indication of the Registrant's cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. The Diluted AFFO presented by the Registrant may not be comparable to similar measures presented by other equity REITs.

Recurring capital improvements

Recurring capital improvements are defined as capital improvements, tenant improvements and leasing costs associated with 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). The Registrant believes that recurring capital improvements is an important measure of performance for a REIT because it provides a measure of the capital improvements that the Registrant can expect to incur on an ongoing basis, which is significant to how the Registrant manages its business since these improvements are funded using cash flow from operations. As a result, the measure provides a further indication of the cash flow from operations that was available to fund other uses. The Registrant believes that tenant improvements, capital improvements and leasing costs associated with operating properties are the most directly comparable GAAP measures. Recurring capital improvements does not reflect all capital expenditures incurred by the Registrant for the periods reported; the Registrant compensates for this limitation by also using the comparable GAAP measure. The recurring capital improvements presented by the Registrant may not be comparable to the recurring capital improvements presented by other REITs.

Net operating income ("NOI")

NOI is total revenue from real estate operations, including rental revenue and tenant recoveries and other revenue, 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. The

Registrant believes 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, rather than factoring in depreciation and amortization or corporate financing and general and administrative expenses; this measure is particularly useful in the opinion of the Registrant in evaluating the performance of geographic segments, same-office property groupings and individual properties. The Registrant believes that net income is the most directly comparable GAAP measure to NOI. The measure excludes many items that are includable in net income, including construction contract and other service operations revenues, as well as expenses including those mentioned above; management compensates for this limitation by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. It should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. NOI presented by the Registrant may not be comparable to NOI presented by other equity REITs that define the measure differently.

Cash net operating income ("Cash NOI")

Cash NOI is NOI (defined above) adjusted to eliminate the effects of noncash rental revenues (comprised of straight-line rental adjustments and SFAS 141 revenue). 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. Under SFAS 141, when a property is acquired, in-place operating leases carrying rents above or below market are valued as of the date of the acquisition; such value is then amortized into rental revenue over the lives of the related leases. The Registrant believes 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 revenue that is not associated with cash to the Registrant. As is the case with NOI, the measure is useful in the opinion of the Registrant in evaluating and comparing the performance of geographic segments, same-office property groupings and individual properties, although, since it adjusts for noncash items, it provides management and investors with a further indication of the Registrant's ability to incur and service debt and to fund dividends and other cash needs. The Registrant believes that net income is the most directly comparable GAAP measure to Cash NOI. The measure excludes many items that are includable in net income; management compensates for this limitation by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. It should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. The Cash NOI that the Registrant presents may not be comparable to similar measures presented by other equity REITs.

Earnings Before Interest, Income Taxes, Depreciation and Amortization ("EBITDA")

EBITDA is net income adjusted for the effects of interest expense, depreciation and amortization, income taxes and minority interests. The Registrant believes that EBITDA is an important measure of performance for a REIT because it provides a further tool to evaluate the Registrant's ability to incur and service debt and to fund dividends and other cash needs that supplements the previously described non-GAAP measures and to compare the Registrant's operating performance with that of other companies. The Registrant believes that net income is the most directly comparable GAAP measure to EBITDA. EBITDA excludes items that are included in net income, including some that require cash outlays; management compensates for this

limitation by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures.   It should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. Additionally, EBITDA as reported by the Registrant may not be comparable to EBITDA reported by other equity REITs.

EBITDA Interest Coverage Ratio

EBITDA Interest Coverage Ratio divides EBITDA by interest expense on continuing and discontinued operations. The Registrant believes that this ratio is a useful measure in evaluating the relationship of earnings to the total cash flow requirements for interest on loans associated with operating properties and, as such, is an important tool in the Registrant's finance policy management.

EBITDA Fixed Charge Coverage Ratio

EBITDA Fixed Charge Coverage Ratio divides EBITDA by the sum of (1) interest expense on continuing and discontinued operations, (2) dividends on preferred shares and (3) distributions on preferred units in the Operating Partnership not owned by the Registrant. The Registrant believes that this ratio is a useful measure in evaluating the relationship of earnings to the cash flow requirements of (1) interest expense on loans associated with operating properties and (2) dividends to preferred equity holders and, as such, is an important tool in the Registrant's finance policy management.

Diluted FFO Payout Ratio and Diluted AFFO Payout Ratio

Diluted FFO Payout Ratio and Diluted AFFO Payout Ratio are defined as (1) the sum of (A) dividends on common shares and convertible preferred shares and (B) distributions to holders of common units and convertible preferred units in the Operating Partnership not owned by the Registrant divided by (2) either Diluted FFO or Diluted AFFO. The Registrant believes that these ratios are useful to investors as supplemental measures of its ability to make distributions to investors. In addition, since most equity REITs provide these ratios, the Registrant believes they are useful supplemental measures for comparing the Registrant to other equity REITs. The Registrant believes that Earnings Payout Ratio is the most comparable GAAP measure. Earnings Payout Ratio is defined as dividends on common shares divided by net income available to common shareholders. Since Payout-FFO Diluted and Payout-AFFO Diluted are derived from Diluted FFO and Diluted AFFO, they share the limitations previously discussed for those measures; management compensates for these limitations by using the measures simply as supplemental measures that are weighed in the balance with other GAAP and non-GAAP measures.

Debt to Undepreciated Book Value of Real Estate Assets

Debt to Undepreciated Book Value of Real Estate Assets is defined as mortgage loans payable divided by net investment in real estate presented on the Registrant's consolidated balance sheet excluding the effect of accumulated depreciation incurred to date on such real estate. The Registrant believes that the measure of Debt to Undepreciated Book Value of Real Estate Assets is useful to management and investors as a supplemental measure of its borrowing levels. In addition, since most equity REITs provide Debt to Undepreciated Book Value of Real Estate Asset information, the Registrant believes that this measure is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant believes that the measure of Debt to Total Assets, defined as mortgage loans payable divided by total assets, is the most comparable GAAP measure. Debt to Undepreciated Book Value of Real Estate Assets excludes

the effect of accumulated depreciation, other assets and other liabilities; management compensates for these limitations by using the measure simply as a supplemental measure that is weighed with the comparable GAAP measure and other GAAP and non-GAAP measures.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired

None

(b) Pro Forma Financial Information

None

(c) Exhibits

Exhibit Number	Description
99.1	Press release dated October 27, 2004 for Corporate Office Properties Trust.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 28, 2004

CORPORATE OFFICE PROPERTIES TRUST

By:	/s/ Randall M. Griffin
Name:	Randall M. Griffin
Title:	President and Chief Operating Officer

By:	/s/ Roger A. Waesche, Jr.
Name:	Roger A. Waesche, Jr.
Title:	Executive Vice President and Chief Financial Officer

CORPORATE OFFICE PROPERTIES

Corporate Office Properties Trust
8815 Centre Park Drive, Suite 400
Columbia, Maryland 21045
Telephone 410-730-9092
Facsimile 410-740-1174
Website www.copt.com

Contact:
Mary Ellen Fowler
Vice President
Finance and Investor Relations
410-992-7324
maryellen.fowler@copt.com

NEWS RELEASE

For Immediate Release

CORPORATE OFFICE PROPERTIES TRUST REPORTS THIRD QUARTER 2004 RESULTS

COLUMBIA, MD October 27, 2004 -Corporate Office Properties Trust (NYSE: OFC) announced today financial and operating results for the quarter ended September 30, 2004.

Highlights

- Earnings per Share ("EPS") diluted of $.12 for the third quarter of 2004 as compared to $.18 per diluted share for the third quarter of 2003. Net Income Available to Common Shareholders diluted of $4,153,000 for third quarter 2004 decreased from $5,425,000 for the comparable 2003 period. Included in the third quarter 2004 net income available to common shareholders was recognition of an accounting charge of $1,813,000 reflecting the issuance costs of the Series B preferred shares redeemed July 15, 2004. Without this accounting charge, net income available to common shareholders – diluted, as adjusted, would have been $.17 per share.

- Funds from Operations ("FFO") per diluted share of $.39 for the third quarter 2004 down from $.41 per diluted share for third quarter 2003. Included in the third quarter 2004 FFO was the accounting charge of $1,813,000 for the Series B preferred share redemption. Without this accounting charge, FFO per diluted share, as adjusted, would have been $.43 per share representing an increase of 4.9%.

- 93.0% occupied and 94.9% leased as of September 30, 2004, up from 91.2% and 92.8% at December 31, 2003.

- $134.2 million in acquisitions for three office buildings totaling 554,228 square feet.

- 696,464 square feet under construction, 51% leased at September 30, 2004.

- 8.5% increase in quarterly common dividend from $.235 to $.255 per share.

- Same property NOI, representing 79% of the portfolio, decreased by 1% on a cash basis and increased 2.3% on a GAAP basis, compared to the same quarter 2003.

- $57.3 million of common equity raised.

- 77.3% of expiring leases renewed, for a total of 198,318 square feet.

"Since the beginning of 2004, we have made great strides. We have increased our occupancy by 180 basis points, acquired additional properties that increased our portfolio size by 13%, and started construction of new buildings which will increase our portfolio by an additional 6% when complete. We are focused on a number of strategic investments that will position the Company for long term growth," stated Clay W. Hamlin, III, Chief Executive Officer.

Financial Results

EPS for the quarter ended September 30, 2004 totaled $.12 per diluted share, or $4,153,000 of Net Income Available to Common Shareholders, as compared to $.18 per diluted share, or $5,425,000 for the quarter ended September 30, 2003. Revenues from real estate operations for the quarter ended September 30, 2004 were $53,097,000, as compared to $45,448,000 for the quarter ended September 30, 2003.

EPS for the nine months ended September 30, 2004, totaled $.39 per diluted share and net income available to common shareholders totaled $13,098,000 as compared to $.12 per diluted share, and $3,359,000 net income available to common shareholders for the nine months ended September 30, 2003. The nine month 2003 earnings per share was impacted by an accounting charge of $11,224,000 recognized in connection with the repurchase of the Series C preferred units during June of that year.

Diluted FFO for the quarter ended September 30, 2004 totaled $17,368,000, or $.39 per diluted share, as compared to $16,725,000, or $.41 per diluted share, for the quarter ended September 30, 2003. The Company recorded $224,000 and $347,000 of SFAS 141 revenues for the quarters ended September 30, 2004 and September 30, 2003, respectively. FFO Payout ratio was 65.9% for third quarter 2004 compared to 53.9% for the comparable 2003 period.

Diluted FFO for the nine months ending September 30, 2004, totaled $55,085,000, or $1.29 per diluted share, as compared to $45,082,000, or $1.16 per diluted share, for the nine months ended September 30, 2003, representing an 11.2% increase on a per share basis. The Company recorded $806,000 and $1,465,000 of SFAS 141 revenues for the nine months ending September 30, 2004, and September 30, 2003, respectively. Excluding the effects of SFAS 141 revenues, diluted FFO per share would have been $1.27 per share for the nine months ending September 30, 2004, as compared to $1.12 per share for the comparable 2003 period, representing an increase of 13.4% per share. Diluted FFO payout ratio was 56% for the nine months ending September 30, 2004 versus 57% for the comparable 2003 period.

Adjusted Funds From Operations ("AFFO") diluted decreased to $11,759,000 for third quarter 2004 as compared to $11,963,000 for third quarter 2003. The Company's AFFO payout ratio was 97.3% for third quarter 2004 compared to 75.4% for third quarter 2003.

Diluted AFFO for the nine months ending September 30, 2004, totaled $37,924,000 as compared to $32,096,000 for the comparable 2003 period, representing an increase of 18.2%. Diluted

AFFO payout ratio was 81% for the nine months ending September 30, 2004, compared to 80% for the comparable 2003 period.

As of September 30, 2004, the Company had a total market capitalization of $2.3 billion, with $947.3 million in debt outstanding, equating to a 41.5% debt-to-total market capitalization ratio. The Company's total quarterly weighted average interest rate was 5.63%, and 82% of total debt was subject to fixed interest rates. For the third quarter 2004, EBITDA interest coverage ratio was 3.2x and EBITDA fixed charge coverage was 2.4x.

"We have maintained our focus on Northern Virginia, entering our third targeted submarket – Tysons Corner, and we diversified our tenant base with Wachovia Bank being added as our tenth largest tenant. We believe the Tysons Corner market is improving faster than we anticipated in our underwriting which will accelerate our value creation opportunities," stated Randall M. Griffin, President and Chief Operating Officer.

Operating Results

At September 30, 2004, the Company's portfolio of 136 office properties totaling 11.6 million square feet, including two joint venture properties, was 93.0% occupied and 94.9% leased, up from 91.2% and 92.8% at year end 2003, respectively.

During the quarter, 198,318 square feet was renewed, equating to a 77.3% renewal rate, at an average capital cost of $2.52 per square foot. The Company achieved a 9.5% increase in base rent and a 6.4% increase in total rent on a straight line basis for 403,810 square feet of renewed and retenanted space. The average capital cost for renewed and retenanted space was $10.15 per square foot. Base rent increased 3% and total rent increased 1% on a cash basis for the quarter on renewed and retenanted space.

Same property NOI decreased 1% on a cash basis and increased 2.3% on a GAAP basis for the quarter, compared to the quarter ended September 30, 2003. The same property portfolio consists of 111 properties representing 79% of the total square footage as of September 30, 2004.

Significant leases signed during the quarter include 103,683 square feet with Northrop Grumman for all of 2691 Technology Drive (191 NBP) and 162,498 square feet with Booz Allen Hamilton Inc. for all of 304 Carina Drive (304 NBP).

Development Activity

At quarter end, the Company had five buildings under construction totaling 696,464 square feet that are 51% leased. One of these buildings, representing 88,094 square feet, will be operational this fall and we expect the balance will become operational during 2005 or early 2006. At quarter end, the Company had under development two buildings – 306 NBP and 322 NBP for a total of 285,651 square feet. Including all buildings mentioned above, by year end the Company will have a total of 894,021 square feet under construction or development. 220 NBP, a 156,730 square foot building fully leased to The Titan Corporation, was placed into service during the quarter.

The Company controls 265 acres of land that can support 3.8 million square feet of office space. A majority of the land is located in Northern Virginia and the Baltimore Washington Corridor.

Acquisition Activity

During the quarter ending September 30, 2004, the Company acquired three office buildings comprising554,228 square feet for a total cost of $l34.2 million that were 91% leased at closing. Two buildings totaling 440,102 square feet are known as Pinnacle Towers and are located in the Tysons Corner submarket in McLean, Virginia. The third building, Corporate Pointe III, is 114,126 square feet and is located in Westfields Corporate Center in Chantilly, Virginia.

The Company also acquired 14 acres of land located in Columbia Gateway Business Park for $6.3 million.

The Company acquired the interest of its joint venture partner in the property located at 2720 Technology Drive (220 NBP) for $4.9 million.

Financing and Capital Transactions

The Company executed the following transactions during the quarter:

- 10% Series B Cumulative Redeemable Preferred Shares redeemed at $25.00 per share. The Company recorded a $1.8 million charge in the quarter for the write-off of initial offering costs associated with the issuance of the Series B shares.
- 352,000 Series I convertible preferred units issued at $25.00 par for a total of $8.8 million in connection with the purchase of Pinnacle Towers.
- $57.3 million in equity raised through a 2.3 million common share offering in September. Proceeds from the offering were utilized to pay down the Company's unsecured revolving credit facility.
- $115 million seven year mortgage loan with a fixed rate of 5.47% closed during the quarter.
- $63 million secured loan to finance construction of 191 NBP, 304 NBP, and 318 NBP closed during the quarter.
- 8.5% increase in quarterly common dividend from $.235 to $.255 per share.

Earnings Guidance

The Company has revised the EPS guidance from $.50 – $.54 to $.53 – $.54 per diluted share for 2004. The previous 2004 FFO guidance of $1.70 – $1.74 has been revised to $1.72 – $1.74 per diluted share. The Company's 2005 EPS guidance is $.38 – $.45 per diluted share. The 2005

FFO guidance is $1.78 – $1.85 per diluted share. The Company will discuss the assumptions for the 2005 guidance during the Earnings Call.

Conference Call

The Company will hold an investor/analyst conference call:

Conference Call and Webcast Date: October 28, 2004
Time: 4:00 p.m. ET
Dial In Number: (800) 210-9006
Confirmation Code for the call: 854607

A replay of the conference call will begin on Thursday, October 28, 2004 at 7:00 p.m. ET and will be available through Thursday, November 11, 2004, midnight ET. The telephone number for the replay is (888) 203-1112. When prompted, enter the confirmation code shown above. The live webcast may be accessed under the Investor Relations section of the Company's website at www.copt.com through February 10, 2005.

Definitions
Please refer to our Form 8K or our website (www.copt.com) for definitions of certain terms used in this press release. Reconciliations of GAAP and non-GAAP measurements are included in the attached tables.

Company Information
Corporate Office Properties Trust is a fully integrated, self-managed, real estate investment trust which focuses on the ownership, management, leasing, acquisition and development of suburban office properties located in select Mid-Atlantic submarkets. The Company currently owns 136 office properties totaling 11.6 million rentable square feet, including two properties held through joint ventures. Corporate Development Services provides a wide range of development and construction management services. In addition, Corporate Office Services provides land planning, design/build services, consulting and merchant development to third party entities. The Company's shares are traded on the New York Stock Exchange under the symbol OFC. More information on Corporate Office Properties Trust can be found on the Internet at www.copt.com.

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", "expect", "estimate" 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:

- *the Company's ability to borrow on favorable terms;*
- *general economic and business conditions, which will, among other things, affect office property demand and rents, tenant creditworthiness, interest rates and financing availability;*
- *adverse changes in the real estate markets including, among other things, increased competition with other companies;*

- *risk of real estate acquisition and development, 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;*
- *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;*
- *governmental actions and initiatives; 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 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

Financial Tables Attached

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

	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003
Revenues		
Real estate revenues	$ 53,097	$ 45,448
Service operations revenues	7,725	19,803
Total revenues	60,822	65,251
Expenses		
Property operating	16,197	13,075
Depreciation and other amortization associated with real estate operations	11,802	9,462
Service operations expenses	7,237	19,061
General and administrative expenses	2,698	1,937
Total operating expenses	37,934	43,535
Operating income	22,888	21,716
Interest expense	(10,839)	(10,436)
Amortization of deferred financing costs	(577)	(773)
Income from continuing operations before gain on sales of real estate, equity in income of unconsolidated real estate joint ventures, income taxes and minority interests	11,472	10,507
Gain on sales of real estate, excluding discontinued operations	24	23

Equity in income of unconsolidated real estate joint ventures		¾		95
Income tax expense		(145)		(297)
Income from continuing operations before minority interests		11,351		10,328
Minority interests in income from continuing operations of consolidated subsidiaries		(1,601)		(1,757)
Income from continuing operations		9,750		8,571
Income from discontinued operations, net of minority interests		¾		11
Net income		9,750		8,582
Preferred share dividends		(3,784)		(3,157)
Issuance costs associated with redeemed preferred shares		(1,813)		¾
Net income available to common shareholders	**$**	**4,153**	**$**	**5,425**
Earnings per share "EPS" computation				
Numerator:				
Net income available to common shareholders	$	4,153	$	5,425
Dividends on convertible preferred shares		¾		136
Numerator for dilutive EPS	$	4,153	$	5,561
Denominator:				
Weighted average common shares-basic		33,797		28,832
Assumed conversion of dilutive options		1,655		1,480
Assumed conversion of preferred shares		¾		1,197
Weighted average common shares-diluted		35,452		31,509
EPS				
Basic	**$**	**0.12**	**$**	**0.19**
Diluted	**$**	**0.12**	**$**	**0.18**

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

	Three Months Ended September 30,			
		2004		**2003**
Net income	$	9,750	$	8,582
Add: Real estate-related depreciation and amortization		11,700		9,337
Add: Depreciation and amortization on unconsolidated real estate entities		¾		86
Less: Depreciation and amortization allocable to minority interests in other consolidated entities		(56)		¾
Less: Gain on sales of real estate, excluding development portion		(24)		(23)
Less: Issuance costs associated with redeemed preferred shares		(1,813)		¾
Funds from operations ("FFO")		19,557		17,982
Add: Minority interests-common units in the Operating Partnership		1,595		1,763
Less: Preferred share dividends		(3,784)		(3,157)
Funds from operations - basic ("Basic FFO")		17,368		16,588
Add: Convertible preferred share dividends		¾		136
Expense associated with dilutive options		¾		1
Funds from operations - diluted ("Diluted FFO")		**17,368**		**16,725**
Less: Straight-line rent adjustments		(2,519)		(1,293)
Less: Recurring capital improvements		(4,679)		(3,122)
Less: Amortization of origination value of leases on acquired properties into rental revenue		(224)		(347)
Add: Issuance costs associated with redeemed preferred shares		1,813		¾
Adjusted funds from operations - diluted ("Diluted AFFO")	**$**	**11,759**	**$**	**11,963**
Basic weighted average shares				
Weighted average common shares		33,797		28,832
Conversion of weighted average common units		8,690		8,909
Basic weighted average common shares/units		42,487		37,741
Conversion of share options		1,655		1,480
Conversion of weighted average convertible preferred shares		¾		1,197
Diluted weighted average common shares/units		44,142		40,418
Diluted FFO per common share	$	0.39	$	0.41
Dividends/distributions per common share/unit	$	0.255	$	0.235
Earnings payout ratio		222%		125%
Diluted FFO payout ratio		66%		54%
Diluted AFFO payout ratio		97%		75%
Interest coverage for the quarter ended (on EBITDA)		3.20		3.00
Reconciliation of denominators for diluted EPS and diluted FFO per share				
Denominator for diluted EPS		35,452		31,509
Weighted average common units		8,690		8,909
Denominator for diluted FFO per share		44,142		40,418

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

	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
Revenues		
Real estate revenues	$ 155,960	$ 127,844
Service operations revenues	21,942	26,463
Total revenues	177,902	154,307
Expenses		
Property operating	45,883	37,830
Depreciation and other amortization associated with real estate operations	38,045	26,735
Service operations expenses	20,474	25,883
General and administrative expenses	7,471	5,651
Total operating expenses	111,873	96,099
Operating income	66,029	58,208
Interest expense	(31,615)	(30,608)
Amortization of deferred financing costs	(1,936)	(1,957)
Income from continuing operations before (loss) gain on sales of real estate, equity in loss of unconsolidated real estate joint ventures, income taxes and minority interests	32,478	25,643
(Loss) gain on sales of real estate, excluding discontinued operations	(174)	448
Equity in loss of unconsolidated real estate joint ventures	(88)	(91)
Income tax expense	(375)	(238)
Income from continuing operations before minority interests	31,841	25,762
Minority interests in income from continuing operations of consolidated subsidiaries	(4,255)	(5,378)
Income from continuing operations	27,586	20,384
Income from discontinued operations, net of minority interests	¾	2,423
Net income	27,586	22,807
Preferred share dividends	(12,675)	(8,224)
Repurchase of preferred units in excess of recorded book value	¾	(11,224)
Issuance costs associated with redeemed preferred shares	(1,813)	¾
Net income available to common shareholders	**$ 13,098**	**$ 3,359**
EPS Computation		
Numerator:		
Net income available to common shareholders	$ 13,098	$ 3,359
Dividends on convertible preferred shares	21	¾
Numerator for diluted EPS	$ 13,119	$ 3,359
Denominator:		
Weighted average common shares-basic	32,124	25,886
Assumed conversion of dilutive options	1,680	1,257
Assumed conversion of preferred shares	179	¾
Weighted average common shares-diluted	33,983	27,143
EPS		
Basic	**$ 0.41**	**$ 0.13**
Diluted	**$ 0.39**	**$ 0.12**

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

	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
Net income	$ 27,586	$ 22,807
Add: Real estate-related depreciation and amortization	37,746	26,389
Add: Depreciation and amortization on unconsolidated real estate entities	106	183
Less: Depreciation and amortization allocable to minority interests in other consolidated entities	(56)	¾
Less: Gain on sales of real estate, excluding development portion	(71)	(2,874)
Less: Issuance costs associated with redeemed preferred shares	(1,813)	¾
Funds from operations (“FFO”)	63,498	46,505
Add: Minority interests-common units in the Operating Partnership	4,241	5,334
Less: Preferred share dividends	(12,675)	(8,224)
Funds from operations - basic (“Basic FFO”)	55,064	43,615
Add: Preferred unit distributions	¾	1,049
Add: Convertible preferred share dividends	21	408
Expense associated with dilutive options	¾	10
Funds from operations - diluted (“Diluted FFO”)	**55,085**	**45,082**
Less: Straight-line rent adjustments	(5,469)	(3,779)
Less: Recurring capital improvements	(12,699)	(7,742)
Less: Amortization of origination value of leases on acquired properties into rental revenue	(806)	(1,465)
Add: Issuance costs associated with redeemed preferred shares	1,813	¾
Adjusted funds from operations - diluted (“Diluted AFFO”)	**$ 37,924**	**$ 32,096**

Basic weighted average shares		
Weighted average common shares	32,124	25,886
Conversion of weighted average common units	8,773	8,954
Basic weighted average common shares/units	40,897	34,840
Conversion of weighted average convertible preferred units	¾	1,472
Conversion of share options	1,680	1,302
Conversion of weighted average convertible preferred shares	179	1,197
Diluted weighted average common shares/units	42,756	38,811
Diluted FFO per common share	$ 1.29	$ 1.16
Dividends/distributions per common share/unit	$ 0.725	$ 0.675
Earnings payout ratio	185 %	544 %
Diluted FFO payout ratio	56 %	57 %
Diluted AFFO payout ratio	81 %	80 %
Reconciliation of denominators for diluted EPS and diluted FFO per share		
Denominator for diluted EPS	33,983	27,143
Weighted average common units	8,773	8,954
Convertible preferred units	¾	1,472
Convertible preferred shares	¾	1,197
Additional dilutive options	¾	45
Denominator for diluted FFO per share	42,756	38,811

Corporate Office Properties Trust
Summary Financial Data
(Unaudited)
(Dollars and shares in thousands)

	September 30, 2004	December 31, 2003
Balance Sheet Data (in thousands) (as of period end):		
Investment in real estate, net of accumulated depreciation	$1,487,087	$1,189,258
Total assets	1,650,713	1,332,076
Mortgage and other loans payable	947,332	738,698
Total liabilities	1,029,369	801,899
Minority interests	100,423	79,796
Beneficiaries' equity	520,921	450,381
Debt to Total Assets	57.4 %	55.5 %
Debt to Undepreciated Book Value of Real Estate Assets	56.2 %	54.8 %
Debt to Total Market Capitalization	41.5 %	42.1 %
Property Data, including joint ventures (as of period ended):		
Number of properties owned	136	119
Total net rentable square feet owned (in thousands)	11,617	10,033
Occupancy	93.0 %	91.2 %

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Reconciliation of FFO diluted, as reported, to FFO diluted excluding the effects of amortization of origination value of leases on acquired properties				
Numerator for FFO diluted, as reported	$ 17,368	$ 16,725	$ 55,085	$ 45,082
Less: Amortization of origination value of leases on acquired properties	(224)	(347)	(806)	(1,465)
Numerator for FFO-diluted excluding effects of SFAS 141	$ 17,144	$ 16,378	$ 54,279	$ 43,617
Diluted weighted average common shares	44,142	40,418	42,756	38,811
Diluted FFO per common share excluding the effects of amortization of origination value of leases on acquired properties	$ 0.39	$ 0.41	$ 1.27	$ 1.12

	Three Months Ended September 30,	
	2004	2003
Reconciliation of GAAP net income to earnings before interest, income taxes, depreciation and amortization ("EBITDA")		
Net income	$ 9,750	$ 8,582
Interest expense on continuing operations	10,839	10,436
Income tax benefit, gross	145	297
Depreciation and amortization on real estate operations	11,700	9,337
Amortization of deferred financing costs	577	773
Other depreciation and amortization	101	124
Minority interests, gross	1,601	1,763
EBITDA	$ 34,713	$ 31,312

Corporate Office Properties Trust
Summary Financial Data

(unaudited)
(Dollars in thousands)

	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
Reconciliation of dividends for Earnings Payout Ratio to dividends and distributions for FFO & AFFO Payout Ratio				
Common share dividends for Earnings Payout Ratio	$ 9,235	$ 6,798	$ 24,291	$ 18,259
Convertible preferred share dividends	¾	136	21	408
Common unit distributions	2,202	2,085	6,333	6,031
Convertible preferred unit distributions	¾	¾	¾	1,049
Dividends and distributions for FFO & AFFO Payout Ratio	$ 11,437	$ 9,019	$ 30,645	$ 25,747

	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003
Reconciliation of same property net operating income to same property cash net operating income		
Same property net operating income	$ 31,488	$ 30,773
Less: Straight-line rent adjustments	(2,137)	(1,061)
Less: Amortization of origination value of leases on acquired properties	(439)	(533)
Same property cash net operating income	$ 28,912	$ 29,179
Reconciliation of interest expense from continuing operations to the denominator for fixed charge coverage-EBITDA		
Interest expense from continuing operations	$ 10,839	$ 10,436
Preferred share dividends	3,784	3,157
Preferred unit distributions	14	¾
Denominator for fixed charge coverage-EBITDA	$ 14,637	$ 13,593

Reconciliation of denominator for debt to total assets to denominator for debt to undepreciated book value of real estate assets

	September 30, 2004	December 31, 2003
Denominator for debt to total assets	$ 1,650,713	$ 1,332,076
Assets other than assets included in investment in real estate	(163,626)	(142,818)
Accumulated depreciation on real estate assets	131,018	103,070
Intangible assets on real estate acquisitions, net	67,083	55,692
Denominator for debt to undepreciated book value of real estate assets	$ 1,685,188	$ 1,348,020

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

	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
Reconciliation of tenant improvements, capital improvements and leasing costs for operating properties to recurring capital improvements				
Total tenant improvements on operating properties	$ 3,924	$ 2,355	$ 10,612	$ 6,282
Total capital improvements on operating properties	3,669	843	6,228	2,738
Total leasing costs incurred on operating properties	2,598	1,004	8,957	2,063
Less: Nonrecurring tenant improvements on operating properties	(1,454)	(470)	(3,221)	(1,088)
Less: Nonrecurring capital improvements on operating properties	(2,920)	(312)	(4,266)	(1,871)
Less: Nonrecurring leasing costs incurred on operating properties	(1,138)	(346)	(5,611)	(433)
Add: Recurring improvements on operating properties held through joint ventures	¾	48	¾	51
Recurring capital improvements	$ 4,679	$ 3,122	$ 12,699	$ 7,742
Reconciliation of numerators for diluted EPS and diluted FFO as reported to numerators for diluted EPS and diluted FFO excluding issuance costs associated with redeemed preferred shares				
Numerator for diluted EPS, as reported	$ 4,153		$ 13,119	
Add: Issuance costs associated with redeemed preferred shares	1,813		1,813	
Numerator for diluted EPS, as adjusted	$ 5,966		$ 14,932	
Numerator for diluted FFO, as reported	$ 17,368		$ 55,085	
Add: Issuance costs associated with redeemed preferred shares	1,813		1,813	
Numerator for diluted FFO, as adjusted	$ 19,181		$ 56,898	

	Twelve Months Ending December 31, 2004		December 31, 2005	
Reconciliation of projected EPS-diluted to projected diluted FFO per share	Low	High	Low	High
Reconciliation of numerators				
Numerator for projected EPS-diluted	$ 18,179	$ 18,779	$ 15,660	$ 18,460
Real estate related depreciation and amortization	51,291	51,291	66,846	66,846

Minority interests-common units (gross)	5,661	5,831	3,891	4,586
Numerator for projected diluted FFO per share	$ 75,131	$ 75,901	$ 86,397	$ 89,892
Reconciliation of denominators				
Denominator for projected EPS-diluted	34,986	34,986	40,029	40,029
Common units	8,728	8,728	8,594	8,594
Denominator for projected diluted FFO per share	43,714	43,714	48,623	48,623
Earnings per share – diluted	$ 0.52	$ 0.54	$ 0.39	$ 0.46
Funds from operations per share–diluted	$ 1.72	$ 1.74	$ 1.78	$ 1.85

Top Twenty Office Tenants as of September 30, 2004
(Dollars and square feet 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)	29	1,305,374	12.1%	$ 29,358	13.4%	5.1
Computer Sciences Corporation	(4)	6	513,866	4.8%	11,794	5.4%	6.0
Booz Allen Hamilton, Inc		9	454,752	4.2%	10,893	5.0%	8.0
AT&T Corporation	(4)	8	459,220	4.2%	9,558	4.4%	2.7
The Titan Corporation	(4)	7	245,345	2.3%	8,767	4.0%	8.6
General Dynamics Corporation		10	396,083	3.7%	7,926	3.6%	4.7
Unisys	(5)	3	741,284	6.9%	7,901	3.6%	4.8
Northrop Grumman Corporation		7	261,696	2.4%	5,864	2.7%	3.3
The Boeing Company	(4)	8	162,699	1.5%	4,082	1.9%	4.4
Wachovia Bank		2	173,944	1.6%	4,042	1.8%	14.3
Ciena Corporation		4	278,749	2.6%	3,968	1.8%	1.6
VeriSign, Inc		1	162,841	1.5%	3,893	1.8%	9.8
The Aerospace Corporation		2	134,272	1.2%	3,501	1.6%	11.1
Magellan Health Services		3	150,622	1.4%	2,903	1.3%	6.2
PricewaterhouseCoopers		1	97,638	0.9%	2,873	1.3%	1.4
Commonwealth of Pennsylvania	(4)	5	185,940	1.7%	2,769	1.3%	4.9
Johns Hopkins University	(4)	7	106,473	1.0%	2,414	1.1%	2.9
Merck & Co., Inc. (Unisys)	(5)	1	219,065	2.0%	2,372	1.1%	4.8
CareFirst, Inc. and Subsidiaries	(4)	3	94,223	0.9%	2,200	1.0%	3.3
Usinternetworking, Inc		1.	155,000	1.4%	1,935	0.9%	13.5
Subtotal Top 20 Office Tenants		**117**	**6,299,086**	**58.3%**	**129,014**	**58.8%**	**5.8**
All remaining tenants		485	4,509,368	41.7%	90,223	41.2%	3.6
Total/Weighted Average		602	10,808,454	100.0%	$ 219,238	100.0%	4.9

(1) Total Annualized Rental Revenue is the monthly contractual base rent as of September 30, 2004 multiplied by 12 plus the estimated annualized expense reimbursements under existing office leases excluding development properties.
(2) The weig hting of the lease term was computed using Total Rental Revenue.
(3) Many of the government leases are subject to early termination provisions, which are customary to government leases. The weighted average remaining lease term was computed assuming no exercise of such early termination rights.
(4) Includes affiliated organizations or agencies.
(5) Merck & Co., Inc. subleases 219,065 rentable square feet from Unisys' 960,349 leased rentable square feet.