

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 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, 2005 (October 26, 2005)**

CORPORATE OFFICE PROPERTIES TRUST

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

1-14023
(Commission
File Number)

23-2947217
(IRS Employer
Identification No.)

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

21045
(Zip Code)

(410) 730-9092
Registrant's telephone number, including area code

(Former name or former address, if changed since last report.)

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:

- 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 26, 2005, the Registrant issued a press release relating to its financial results for the quarter and nine months ended September 30, 2005. 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.

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 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.

Basic funds from operations ("Basic FFO")

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 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.

Diluted funds from operations per share ("Diluted FFO per share")

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.

Diluted funds from operations ("Diluted FFO")

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 investors because it is the numerator used to compute Diluted FFO per share. 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.

Diluted FFO, as adjusted for issuance costs associated with redeemed preferred shares

This measure is defined as 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.

Diluted adjusted funds from operations ("Diluted AFFO")

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, which includes the amortization of recurring tenant incentives, and amortization of deferred market rental revenue, both of which are described under "Cash NOI" below) and (b) accounting charges for original issuance costs associated with redeemed preferred shares; and (2) recurring capital expenditures (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 that 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 expenditures, 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 expenditures

Recurring capital expenditures are defined as capital improvements, tenant improvements and incentives 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 expenditures is an important measure of performance for a REIT because it provides a measure of the capital expenditures that the Registrant can expect to incur on an ongoing basis, which is significant to how the Registrant manages its business since these expenditures are funded using cash flow from operations. As a result, the measure provides a further indication of the cash flow from operations that is available to fund other uses. The Registrant believes that tenant improvements and incentives, capital improvements and leasing costs associated with operating properties are the most directly comparable GAAP measures. Recurring capital expenditures do 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 expenditures presented by the Registrant may not be comparable to the recurring capital expenditures 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, which includes the amortization of recurring tenant incentives, and amortization of deferred market rental 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. Also under GAAP, 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

This measure 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

This measure 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

These measures are defined as (1) the sum of (A) dividends on common shares and (B) dividends on restricted common and convertible preferred shares and distributions to holders of interests in the Operating Partnership when such dividends and distributions are included in Diluted FFO and Diluted AFFO, 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

This measure 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 this measure 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

<u>Exhibit Number</u>	<u>Exhibit Title</u>
99.1	Press release dated October 26, 2005 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 27, 2005

CORPORATE OFFICE PROPERTIES TRUST

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

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

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Title</u>
99.1	Press release dated October 26, 2005 for Corporate Office Properties Trust.



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
STRONG THIRD QUARTER 2005 RESULTS

COLUMBIA, MD October 26, 2005 -Corporate Office Properties Trust (NYSE: OFC) announced today financial and operating results for the quarter ended September 30, 2005.

Highlights

- 50.0% increase in Earnings per Share (“EPS”) diluted to \$.18 for the third quarter of 2005 from \$.12 per diluted share for the third quarter of 2004. Net Income Available to Common Shareholders diluted of \$6,936,000 for third quarter 2005 increased from \$4,153,000 for the comparable 2004 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.
- 20.5% increase in Funds from Operations (“FFO”) per diluted share to \$.47 for the third quarter 2005 from \$.39 per diluted share for third quarter 2004. Without the third quarter 2004 Series B preferred share accounting charge, FFO per diluted share would have increased 9.3%, from \$.43 per diluted share.
- 35.1% increase in Adjusted Funds from Operations (“AFFO”) to \$15.9 million for third quarter 2005 as compared to \$11.8 million for third quarter 2004.
- FFO payout ratio was 60.6% and AFFO payout ratio was 84.4% for third quarter 2005.
- 94.6% occupied and 95.8% leased for the Company’s wholly owned portfolio as of September 30, 2005.
- \$77.5 million in acquisitions for nine office buildings totaling 418,726 square feet plus 200 acres of land, including 132 acres of the land in which the Company owns a 50% undivided interest.
- 1.1 million square feet in 9 buildings under construction that are currently 51% leased.
- 9.8% increase in quarterly common dividend from \$.255 to \$.28 per share.

-
- 9.0% increase for same property cash net operating income (NOI), compared to the same quarter 2004.
 - \$75.3 million of equity raised through a 2.3 million common share offering.

“We have increased our 2005 FFO guidance and are providing our initial 2006 FFO guidance, that reflects a 10% FFO per diluted share growth for next year based on the upper end of the range,” stated Randall M. Griffin, President and Chief Executive Officer. “We are very pleased with our overall performance this year and are well on our way to meeting or exceeding almost all of our 2005 goals, including occupancy, dispositions, acquisitions, FFO growth and expansion into new tenant driven locations. Our 9% growth in same property NOI for this quarter is indicative of the strength of our markets, which should provide the basis for continued growth over the next few years,” he added.

Financial Results

- EPS for the quarter ended September 30, 2005 totaled \$.18 per diluted share, or \$6,936,000 of Net Income Available to Common Shareholders, as compared to \$.12 per diluted share, or \$4,153,000 for the quarter ended September 30, 2004, representing an increase of 50.0% per share. Included in the third quarter 2004 net income available to common shareholders was recognition of an accounting charge of \$1,813,000 reflecting the write-off of 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. Revenues from real estate operations for the quarter ended September 30, 2005 were \$62,996,000, as compared to \$52,276,000 for the quarter ended September 30, 2004.
- Diluted FFO for the quarter ended September 30, 2005 totaled \$22,127,000, or \$.47 per diluted share, as compared to \$17,368,000, or \$.39 per diluted share, for the quarter ended September 30, 2004, representing an increase of 20.5% per share. Included in the third quarter 2004 FFO was the Series B preferred share accounting charge. Without this accounting charge, FFO per diluted share would have increased 9.3%, from \$.43 per diluted share. FFO Payout ratio was 60.6% for third quarter 2005 compared to 65.9% for the comparable 2004 period.
- Adjusted Funds From Operations (“AFFO”) diluted totaled \$15,892,000 for third quarter 2005 as compared to \$11,759,000 for third quarter 2004, representing an increase of 35.1%. The Company’s AFFO payout ratio was 84.4% for third quarter 2005 compared to 97.3% for third quarter 2004.

As of September 30, 2005, the Company had a total market capitalization of \$3.0 billion, with \$1.1 billion in debt outstanding, equating to a 37.6% debt-to-total market capitalization ratio. The Company’s total quarterly weighted average interest rate was 5.8%, and 69.7% of total debt was subject to fixed interest rates. For the third quarter 2005, EBITDA interest coverage ratio was 3.17x and EBITDA fixed charge coverage was 2.51x.

Operating Results

At September 30, 2005, the Company's wholly owned portfolio of 136 office properties totaling 11.7 million square feet, was 94.6% occupied and 95.8% leased. The Company's entire portfolio including the unconsolidated joint ventures, was 93.8% occupied and 95.0% leased.

During the quarter, 165,311 square feet was renewed, equating to a 64.8% renewal rate, at an average capital cost of \$9.22 per square foot. For renewed and retenant space totaling 453,716 square feet, total rent on a cash basis decreased 22.5% and total rent on a straight line basis decreased 14.3%. The average capital cost for renewed and retenant space was \$9.04 per square foot.

Same property cash NOI increased 9.0% for the quarter, compared to the quarter ended September 30, 2004. The increase in cash NOI for the same property portfolio resulted primarily from improved occupancy and higher rental rates in our Baltimore Washington Corridor and our Northern Virginia portfolios. The same property portfolio consists of 111 properties representing 84.4% of the total square footage as of September 30, 2005.

Significant leases signed during the quarter include 201,200 square feet with a large credit worthy tenant in the Princeton Technology Center in Cranbury, NJ. The tenant commenced paying rent on the entire building at 431 Ridge Road, a 171,200 square foot single-story office building. The tenant also leased the entire building at 437 Ridge Road, a 30,000 square foot single-story office building effective January 1, 2007, when the existing lease expires.

Development and Construction Activity

At quarter end, the Company had under development three buildings — 320 NBP, 302 NBP and 16444 Commerce Drive for a total of 342,000 square feet. In addition, the Company had nine buildings under construction totaling 1.1 million square feet that are 51% leased and a two building complex under redevelopment for 470,000 square feet that is 100% leased.

During the quarter, the Company placed into service 191 NBP, a 104,000 square foot office building which is 100% leased to Northrop Grumman Corporation for a seven year term.

The Company executed a ten year lease for 61,038 square feet with Applied Signal Technology, Inc. at 306 NBP, which is under construction, and a 53,000 square foot lease at 6711 Columbia Gateway Drive for the Company's new corporate headquarters.

Land Control

At quarter end, the Company had under control 555 acres of land that can support 7.8 million square feet of office space. A majority of the land is located in the Baltimore Washington Corridor, Northern Virginia and Colorado Springs.

During the quarter, the Company acquired 200 acres of land, including 132 acres of the land located in Colorado Springs in which the Company owns a 50% undivided interest.

These land acquisitions are as follows:

- 64 acre parcel of land known as Patriot Park for \$10.0 million along with the development rights to build a two story, 50,000 square foot Class A office building on approximately 5 of the 64 acres within the park, all located in Colorado Springs, Colorado. The proposed building is 100% preleased to a defense contractor on a long term lease. The remaining 59 acres can be developed with 650,000 square feet of office space. The business park is located at the north entrance to Peterson Air Force Base,
- 4 acres of land located in Columbia, Maryland for \$1.5 million, and
- 50% undivided interest in 132 acres of land known as the InterQuest Office Park for \$10.6 million that can support approximately 935,000 square feet. The InterQuest Office Park is located along I-25 at the northern portion of the Colorado Springs market, near the entrance to the United States Air Force Academy.

Acquisition Activity

During the quarter ending September 30, 2005, the Company acquired nine office buildings comprising 418,726 square feet for a total cost of \$55.3 million that were 94% leased at closing:

- 26,500 square foot office building for \$2.3 million in Columbia, Maryland,
- 189,000 square feet in five one story office buildings known as Gateway Crossing 95 for \$26.0 million located in the Columbia Gateway Business Park in Columbia, Maryland,
- 136,000 square feet located in two office buildings to be known as Patriot Park I & II for \$18.0 million located in Colorado Springs. The buildings are 93% leased primarily to defense contractors serving Peterson Air Force Base, and
- 67,500 square foot office building known as Newport Centre One for \$9.0 million. The building is located near the Colorado Springs Airport and Peterson Air Force Base, and is 100% leased to the United States Government and a defense contractor.

Disposition Activity

During the quarter the Company disposed of the following assets:

- 33,000 square feet in a recently developed office building located in Columbia, Maryland for \$4.8 million,

- 153,000 square feet in 3 buildings within the New Jersey portfolio for \$22.5 million, and
- 672,000 square feet within 16 office buildings located in Harrisburg, Pennsylvania, representing 100% of the Company's holdings in that market. The Company sold 80% of its ownership interest in the portfolio which was valued at \$73.0 million.

Financing and Capital Transactions

The Company executed the following transactions during the quarter:

- \$36.0 million bridge loan that the Company repaid in October 2005,
- \$19.5 million credit facility to fund the construction of 6711 Columbia Gateway Drive in Columbia, Maryland,
- 9.8% increase in quarterly common dividend from \$.255 to \$.28 per share, and
- 2,300,000 common shares issued, generating proceeds of \$75.3 million before expenses.

Subsequent Events

Since September 30, 2005, the Company has:

- Placed into service 318 NBP, 126,000 square feet, 100% leased,
- Placed into service 8611 Military Drive, 470,000 square feet, 100% leased,
- Executed a 32,000 square foot lease at 306 NBP,
- Closed a \$103.0 million interest only, ten year loan at a fixed rate of 5.53%. In connection with this loan closing, the Company terminated its \$73.4 million forward starting swap,
- Acquired a 118,000 square foot office building on a 21.4 acre site for \$17.0 million. The site can support approximately 80,000 square feet of new office space development. The property is located in Frederick, Maryland, close to the northwest end of the I-270 Corridor. This acquisition marks the Company's entrance into this targeted submarket, and
- Executed a long term lease for 47,000 square feet at 15 West Gude Drive in Rockville, Maryland.

Earnings Guidance

The Company has revised the EPS guidance from \$.47 — \$.51 to \$.58 — \$.60 per diluted share for 2005. The previous 2005 FFO guidance of \$1.81 — \$1.85 has been revised to \$1.84 — \$1.86 per diluted share. The Company's 2006 EPS guidance is \$.47 — \$.55 per diluted share. The 2006 FFO guidance is \$1.97 — \$2.05 per diluted share. The Company will discuss the assumptions for the 2006 guidance during the Earnings Call.

Conference Call

The Company will hold an investor/analyst conference call:

Conference Call and Webcast Date: October 27, 2005

Time: 4:00 p.m. ET

Dial In Number: (800) 406-5345

Confirmation Code for the call: 1460093

A replay of the conference call will begin on Thursday, October 27, 2004 at 7:30 p.m. ET and will be available through Thursday, November 10, 2005, 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.

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 (COPT) is a fully integrated, self-managed real estate investment trust (REIT) that focuses on the ownership, management, leasing, acquisition and development of suburban office properties primarily in select Mid-Atlantic submarkets. The Company is among the largest owners of suburban office properties in the Greater Washington, DC region. The Company currently owns 158 office properties totaling 13.3 million rentable square feet, which includes 18 properties totaling 885,000 square feet held through joint ventures. The Company has implemented a core customer expansion strategy that is built around meeting, through acquisitions and development, the multi-location requirements of the Company's existing strategic tenants. The Company's property management services team provides comprehensive property and asset management to company owned properties and select third party clients. The Company's development and construction services team provides a wide range of development and construction management services for company owned properties, as well as land planning, design/build services, consulting, and

merchant development to select third party clients. 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.

6

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;
- our ability to satisfy and operate effectively under federal income tax rules relating to real estate investment trusts and partnerships;
- 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, 2004.

Financial Tables Attached

7

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

	Three months ended September 30,	
	2005	2004
Revenues		
Real estate revenues	\$ 62,996	\$ 52,276
Service operations revenues	29,784	7,466
Total revenues	92,780	59,742
Expenses		
Property operating	19,032	15,789
Depreciation and other amortization associated with real estate operations	18,004	11,619
Service operations expenses	29,326	6,978
General and administrative expenses	3,318	2,698
Total operating expenses	69,680	37,084
Operating income	23,100	22,658
Interest expense	(14,370)	(10,668)
Amortization of deferred financing costs	(641)	(577)
Income from continuing operations before gain on sales of real estate, income taxes and minority interests	8,089	11,413
Gain on sales of real estate	105	24
Income tax expense	(294)	(145)
Income from continuing operations before minority interests	7,900	11,292
Minority interests in income from continuing operations	(967)	(1,589)
Income from continuing operations	6,933	9,703
Income from discontinued operations, net of minority interests	3,656	47
Net income	10,589	9,750
Preferred share dividends	(3,653)	(3,784)
Issuance costs associated with redeemed preferred shares	—	(1,813)
Net income available to common shareholders	\$ 6,936	\$ 4,153
Earnings per share "EPS" computation		
Numerator:	\$ 6,936	\$ 4,153

Denominator:		
Weighted average common shares - basic	36,913	33,797
Assumed conversion of dilutive options	1,667	1,655
Weighted average common shares - diluted	<u>38,580</u>	<u>35,452</u>
EPS		
Basic	\$ 0.19	\$ 0.12
Diluted	\$ 0.18	\$ 0.12

8

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

	Three months ended September 30,	
	2005	2004
Net income	\$ 10,589	\$ 9,750
Add: Real estate-related depreciation and amortization	17,848	11,700
Less: Depreciation and amortization allocable to minority interests in other consolidated entities	(23)	(56)
Less: Gain on sales of real estate, excluding development portion	(4,360)	(24)
Less: Issuance costs associated with redeemed preferred shares	—	(1,813)
Funds from operations ("FFO")	24,054	19,557
Add: Minority interests-common units in the Operating Partnership	1,726	1,595
Less: Preferred share dividends	(3,653)	(3,784)
Funds from Operations - basic and diluted ("Diluted FFO")	22,127	17,368
Less: Straight-line rent adjustments	(1,519)	(2,519)
Less: Recurring capital expenditures	(4,945)	(4,679)
Add (less): Amortization of deferred market rental revenue	229	(224)
Add: Issuance costs associated with redeemed preferred shares	—	1,813
Adjusted Funds from Operations - diluted ("Diluted AFFO")	\$ 15,892	\$ 11,759
Weighted average shares		
Weighted average common shares	36,913	33,797
Conversion of weighted average common units	8,758	8,690
Weighted average common shares/units - basic FFO per share	45,671	42,487
Assumed conversion of share options	1,667	1,655
Weighted average common shares/units - diluted FFO per share	<u>47,338</u>	<u>44,142</u>
Diluted FFO per common share	\$ 0.47	\$ 0.39
Dividends/distributions per common share/unit	\$ 0.280	\$ 0.255
Earnings payout ratio	158.1%	222.4%
Diluted FFO payout ratio	60.6%	65.9%
Diluted AFFO payout ratio	84.4%	97.3%
EBITDA interest coverage ratio	3.17	3.20
EBITDA fixed charge coverage ratio	<u>2.51</u>	<u>2.37</u>
Reconciliation of denominators for diluted EPS and diluted FFO per share		
Denominator for diluted EPS	38,580	35,452
Weighted average common units	8,758	8,690
Denominator for diluted FFO per share	<u>47,338</u>	<u>44,142</u>

9

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

	Nine months ended September 30,	
	2005	2004
Revenues		
Real estate revenues	\$ 182,887	\$ 153,523
Service operations revenues	65,345	21,188
Total revenues	<u>248,232</u>	<u>174,711</u>
Expenses		
Property operating	55,171	44,862
Depreciation and other amortization associated with real estate operations	47,459	37,512
Service operations expenses	63,692	19,720
General and administrative expenses	9,760	7,471
Total operating expenses	<u>176,082</u>	<u>109,565</u>
Operating income	72,150	65,146
Interest expense	(41,281)	(31,117)

Amortization of deferred financing costs	(1,508)	(1,936)
Income from continuing operations before gain (loss) on sales of real estate, equity in loss of unconsolidated entities, income taxes and minority interests	29,361	32,093
Gain (loss) on sales of real estate	339	(174)
Equity in loss of unconsolidated entities	—	(88)
Income tax expense	(964)	(375)
Income from continuing operations before minority interests	28,736	31,456
Minority interests in income from continuing operations	(3,850)	(4,168)
Income from continuing operations	24,886	27,288
Income from discontinued operations, net of minority interests	3,863	298
Net income	28,749	27,586
Preferred share dividends	(10,961)	(12,675)
Issuance costs associated with redeemed preferred shares	—	(1,813)
Net income available to common shareholders	\$ 17,788	\$ 13,098

Earnings per share "EPS" computation

Numerator:		
Net income available to common shareholders	\$ 17,788	\$ 13,098
Dividends on convertible preferred shares	—	21
Numerator for diluted EPS	\$ 17,788	\$ 13,119
Denominator:		
Weighted average common shares - basic	36,721	32,124
Assumed conversion of dilutive options	1,595	1,680
Assumed conversion of preferred shares	—	179
Weighted average common shares - diluted	38,316	33,983

EPS

Basic	\$ 0.48	\$ 0.41
Diluted	\$ 0.46	\$ 0.39

10

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

	Nine months ended September 30,	
	2005	2004
Net income	\$ 28,749	\$ 27,586
Add: Real estate-related depreciation and amortization	47,440	37,746
Add: Depreciation and amortization on unconsolidated real estate entities	—	106
Less: Depreciation and amortization allocable to minority interests in other consolidated entities	(85)	(56)
Less: Gain on sales of real estate, excluding development portion	(4,408)	(71)
Less: Issuance costs associated with redeemed preferred shares	—	(1,813)
Funds from operations ("FFO")	71,696	63,498
Add: Minority interests-common units in the Operating Partnership	4,369	4,241
Less: Preferred share dividends	(10,961)	(12,675)
Funds from Operations - basic ("Basic FFO")	65,104	55,064
Add: Convertible preferred share dividends	—	21
Funds from Operations - diluted ("Diluted FFO")	65,104	55,085
Less: Straight-line rent adjustments	(4,471)	(5,469)
Less: Recurring capital expenditures	(12,972)	(12,699)
Less: Amortization of deferred market rental revenue	(32)	(806)
Add: Issuance costs associated with redeemed preferred shares	—	1,813
Adjusted Funds from Operations - diluted ("Diluted AFFO")	\$ 47,629	\$ 37,924
Weighted average shares		
Weighted average common shares	36,721	32,124
Conversion of weighted average common units	8,707	8,773
Weighted average common shares/units - basic FFO per share	45,428	40,897
Assumed conversion of share options	1,595	1,680
Assumed conversion of weighted average convertible preferred shares	—	179
Weighted average common shares/units - diluted FFO per share	47,023	42,756
Diluted FFO per common share	\$ 1.38	\$ 1.29
Dividends/distributions per common share/unit	\$ 0.790	\$ 0.725
Earnings payout ratio	166.9%	185.5%
Diluted FFO payout ratio	56.1%	55.6%
Diluted AFFO payout ratio	76.7%	80.8%
Reconciliation of denominators for diluted EPS and diluted FFO per share		
Denominator for diluted EPS	38,316	33,983
Weighted average common units	8,707	8,773
Denominator for diluted FFO per share	47,023	42,756

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

	September 30, 2005	December 31, 2004
Balance Sheet Data (in thousands) (as of period end):		
Investment in real estate, net of accumulated depreciation	\$ 1,696,605	\$ 1,544,501
Total assets	1,901,696	1,732,026
Mortgage and other loans payable	1,124,299	1,022,688
Total liabilities	1,210,649	1,111,224
Minority interests	108,530	98,878
Beneficiaries' equity	582,517	521,924
Debt to Total Assets	59.1 %	59.0 %
Debt to Undepreciated Book Value of Real Estate Assets	58.3 %	58.3 %
Debt to Total Market Capitalization	37.6 %	40.4 %

**Property Data (wholly owned properties)
(as of period ended):**

Number of operating properties owned	136
Total net rentable square feet owned (in thousands)	11,692
Occupancy	94.6 %

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Reconciliation of tenant improvements and incentives, capital improvements and leasing costs for operating properties to recurring capital expenditures				
Total tenant improvements and incentives on operating properties	\$ 3,484	\$ 3,924	\$ 24,306	\$ 10,612
Total capital improvements on operating properties	2,760	3,669	6,838	6,228
Total leasing costs on operating properties	3,017	2,598	4,652	8,957
Less: Nonrecurring tenant improvements and incentives on operating properties	(1,199)	(1,454)	(16,633)	(3,221)
Less: Nonrecurring capital improvements on operating properties	(1,047)	(2,920)	(3,568)	(4,266)
Less: Nonrecurring leasing costs incurred on operating properties	(2,070)	(1,138)	(2,623)	(5,611)
Recurring capital expenditures	<u>\$ 4,945</u>	<u>\$ 4,679</u>	<u>\$ 12,972</u>	<u>\$ 12,699</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Reconciliation of dividends for Earnings Payout Ratio to dividends and distributions for FFO & AFFO Payout Ratio				
Common share dividends for earnings payout ratio	\$ 10,966	\$ 9,235	\$ 29,686	\$ 24,291
Common unit distributions	2,452	2,202	6,836	6,333
Convertible preferred share dividends	—	—	—	21
Dividends and distributions for FFO & AFFO payout ratio	<u>\$ 13,418</u>	<u>\$ 11,437</u>	<u>\$ 36,522</u>	<u>\$ 30,645</u>
Reconciliation of GAAP net income to earnings before interest, income taxes, depreciation and amortization ("EBITDA")				
Net income	\$ 10,589	\$ 9,750		
Interest expense on continuing operations	14,370	10,668		
Interest expense on discontinued operations	126	171		
Income tax expense	294	145		
Real estate-related depreciation and amortization	17,848	11,700		
Amortization of deferred financing costs	641	577		
Other depreciation and amortization	178	101		
Minority interests	1,872	1,601		
EBITDA	<u>\$ 45,918</u>	<u>\$ 34,713</u>		
Reconciliation of interest expense from continuing operations to the denominators for interest coverage-EBITDA and fixed charge coverage-EBITDA				
Interest expense from continuing operations	\$ 14,370	\$ 10,668		

Interest expense from discontinued operations	126	171
Denominator for interest coverage-EBITDA	14,496	10,839
Preferred share dividends	3,653	3,784
Preferred unit distributions	165	14
Denominator for fixed charge coverage-EBITDA	\$ 18,314	\$ 14,637

Reconciliation of same property net operating income to same property cash net operating income

Same property net operating income	\$ 34,855	\$ 34,395
Less: Straight-line rent adjustments	(603)	(2,471)
Less: Amortization of deferred market rental revenue	294	(224)
Same property cash net operating income	\$ 34,546	\$ 31,700

13

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

	September 30, 2005	December 31, 2004
Reconciliation of denominator for debt to total assets to denominator for debt to un depreciated book value of real estate assets		
Denominator for debt to total assets	\$ 1,901,696	\$ 1,732,026
Assets other than assets included in investment in real estate	(205,091)	(187,525)
Accumulated depreciation on real estate assets	163,424	141,716
Intangible assets on real estate acquisitions, net	67,686	67,560
Denominator for debt to un depreciated book value of real estate assets	\$ 1,927,715	\$ 1,753,777

	Three months ended September 30, 2004	Nine months ended September 30, 2004
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, 2005		Twelve Months Ending December 31, 2006	
	Low	High	Low	High
Reconciliation of projected EPS-diluted to projected diluted FFO per share				
<u>Reconciliation of numerators</u>				
Numerator for projected EPS-diluted	\$ 22,450	\$ 23,250	\$ 20,450	\$ 23,850
Gain on sales of real estate, excluding development portion	(4,432)	(4,432)	—	—
Real estate-related depreciation and amortization	64,096	64,096	77,262	77,262
Minority interests-common units	5,543	5,740	4,547	5,303
Numerator for projected diluted FFO per share	\$ 87,657	\$ 88,654	\$ 102,259	\$ 106,415
<u>Reconciliation of denominators</u>				
Denominator for projected EPS-diluted	38,978	38,978	43,212	43,212
Weighted average common units	8,722	8,722	8,765	8,765
Denominator for projected diluted FFO per share	47,700	47,700	51,977	51,977
EPS - diluted	\$ 0.58	\$ 0.60	\$ 0.47	\$ 0.55
FFO per share - diluted	\$ 1.84	\$ 1.86	\$ 1.97	\$ 2.05

14

Top Twenty Office Tenants of Wholly Owned Properties as of September 30, 2005
(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)(6)	Percentage of Total Annualized Rental Revenue	Weighted Average Remaining Lease Term(2)	
United States of America	(3)	37	1,412,699	12.8%	\$ 31,887	13.9%	4.5

Booz Allen Hamilton, Inc.		11	534,787	4.8%	12,981	5.7%	7.3
Northrop Grumman Corporation		12	524,884	4.7%	11,530	5.0%	3.4
Computer Sciences Corporation	(4)	4	454,902	4.1%	10,701	4.7%	5.7
L-3 Communications Titan Corporation	(4)	5	239,153	2.2%	8,699	3.8%	7.8
Unisys	(5)	3	741,284	6.7%	8,060	3.5%	3.8
General Dynamics Corporation		9	278,239	2.5%	6,765	3.0%	3.3
AT&T Corporation	(4)	7	262,302	2.4%	6,012	2.6%	3.3
The Aerospace Corporation		2	221,785	2.0%	5,779	2.5%	9.2
Wachovia Bank		3	176,470	1.6%	5,324	2.3%	13.2
The Boeing Company	(4)	5	162,279	1.5%	4,168	1.8%	3.7
Ciena Corporation		3	221,609	2.0%	3,333	1.5%	2.6
VeriSign, Inc.		1	99,121	0.9%	3,272	1.4%	8.8
Magellan Health Services, Inc.		2	142,199	1.3%	2,867	1.3%	5.8
PricewaterhouseCoopers		1	97,638	0.9%	2,720	1.2%	0.4
Johns Hopkins University	(4)	7	106,473	1.0%	2,586	1.1%	1.9
Merck & Co., Inc. (Unisys)	(5)	1	219,065	2.0%	2,419	1.1%	3.8
Wyle Laboratories, Inc.		4	174,792	1.6%	2,348	1.0%	6.8
Carefirst, Inc. and Subsidiaries	(4)	3	94,223	0.9%	2,277	1.0%	2.3
BAE Systems PLC		7	199,212	1.8%	2,260	1.0%	1.3
Subtotal Top 20 Office Tenants		127	6,363,116	57.5%	135,987	59.3%	5.2
All remaining tenants		442	4,700,128	42.5%	93,292	40.7%	4.3
Total/Weighted Average		<u>569</u>	<u>11,063,244</u>	<u>100.0%</u>	<u>\$ 229,279</u>	<u>100.0%</u>	<u>4.9</u>

- (1) Total Annualized Rental Revenue is the monthly contractual base rent as of September 30, 2005 multiplied by 12 plus the estimated annualized expense reimbursements under existing office leases.
- (2) The weighting of the lease term was computed using Total Rental Revenue.
- (3) Many of our 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.
- (6) Order of tenants is based on Annualized Rent.