
**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) **November 6, 2007 (November 5, 2007)**

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 Number)

**6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046**
(Address of principal executive offices)

(443) 285-5400
(Registrant's telephone number, including area code)

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

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

Item 2.02. Results of Operations and Financial Condition

On November 5, 2007, the Registrant issued a press release relating to its financial results for the quarter ended September 30, 2007. 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")

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.

Funds from operations-Basic (“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 or funds from operations-diluted (“Diluted FFO”)

Diluted FFO is Basic FFO adjusted to add back any changes in Basic FFO that would result from the assumed conversion of securities that are convertible or exchangeable into common shares. However, the computation of Diluted FFO does not assume conversion of securities other than common units in the Operating Partnership 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, discussed below. In addition, since most equity REITs provide Diluted FFO information to the investment community, the Registrant believes that Diluted FFO is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant believes that the numerator for 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.

FFO per diluted share or diluted FFO per common share (“Diluted FFO per share”)

Diluted FFO per share is (1) Diluted FFO divided by (2) the sum of the (a) weighted average common

shares outstanding during a period, (b) weighted average common units outstanding during a period and (c) weighted average number of potential additional common shares that would have been outstanding during a period if other securities that are convertible or exchangeable into common shares were converted or exchanged. However, the computation of Diluted FFO per share does not assume conversion of securities other than common units in the Operating Partnership 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 the Registrant’s FFO results in the same manner that investors use earnings per share (“EPS”) 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 that 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 above); management compensates for these limitations in essentially the same manner as described above for Diluted FFO.

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.

FFO per diluted share, as adjusted for issuance costs associated with redeemed preferred shares

This measure is defined as (1) Diluted FFO adjusted to eliminate an accounting charge for original issuance costs associated with the redemption of preferred shares of beneficial interest 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 the denominator for this measure does not assume conversion of securities that are convertible into common shares if the conversion of those securities would increase the measure in a given period. 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 directly comparable GAAP measure. This measure has most of the same limitations as Diluted FFO (described above), 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.

Adjusted funds from operations-diluted (“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

4

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

5

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.

Cash NOI adjusted for lease termination fees

This measure is Cash NOI (defined above) adjusted to eliminate the effects of lease termination fees paid by tenants to terminate their lease obligations prior to the end of the agreed lease terms. Lease termination fees are often recognized as revenue in large one-time lump sum amounts upon the termination of tenant leases. The Registrant believes that Cash NOI adjusted for lease termination fees is a useful supplemental measure of operating performance in evaluating same-office property groupings because it provides a means of evaluating the effect that lease terminations had on the performance of the property groupings. As in the case of Cash NOI, since the measure adjusts for noncash items, it also 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 adjusted for termination fees. The measure has essentially the same limitations as Cash NOI as well as the further limitation of not reflecting the effect of lease termination fees in accordance with GAAP. 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.

6

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) Shell Company Transactions
None
- (d) Exhibits

<u>Exhibit Number</u>	<u>Exhibit Title</u>
99.1	Press release dated November 5, 2007 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: November 6, 2007

CORPORATE OFFICE PROPERTIES TRUST

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

By: /s/ Stephen E. Riffe
Name: Stephen E. Riffe
Title: Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Title</u>
99.1	Press release dated November 5, 2007 for Corporate Office Properties Trust.



6711 Columbia Gateway Drive, Suite 300
 Columbia, Maryland 21046
 Telephone 443-285-5400
 Facsimile 443-285-7650
 www.copt.com
 NYSE: OFC

FOR IMMEDIATE RELEASE

NEWS RELEASE

Contact:
 Mary Ellen Fowler
 Vice President and Treasurer
 443-285-5450
 maryellen.fowler@copt.com

CORPORATE OFFICE PROPERTIES TRUST
REPORTS STRONG THIRD QUARTER 2007 RESULTS

COLUMBIA, MD November 5, 2007 - Corporate Office Properties Trust (COPT) (NYSE: OFC) announced today financial and operating results for the quarter ended September 30, 2007.

Highlights

- Earnings per diluted share ("EPS") of \$.15 for the third quarter of 2007 as compared to \$.33 per diluted share for the third quarter of 2006. Included in third quarter 2007 net income is gain on sales of real estate net of minority interests of \$3.4 million, as compared to \$12.7 million included in third quarter 2006. Also included in 2006 net income is an accounting charge of \$1.8 million or (\$.04) per share reflecting the write-off of initial issuance costs of the Series E preferred shares redeemed July 15, 2006.
- 26.1% increase in Funds from Operations ("FFO") per diluted share to \$.58 or \$32.4 million for third quarter 2007 compared to \$.46 or \$24.3 million for third quarter 2006. Included in the third quarter 2006 FFO was the accounting charge of \$1.8 million for the Series E preferred share redemption. Without this charge, FFO per diluted share for the third quarter 2006, as adjusted, would have been \$.50 per share representing an increase of 16.0% for the third quarter 2007.
- 24.4% increase in Adjusted Funds from Operations ("AFFO") diluted to \$23.9 million for third quarter 2007 as compared to \$19.2 million for third quarter 2006.
- 58.3% Diluted FFO payout ratio, 79.1% Diluted AFFO payout ratio for the quarter.
- 56 acres of land acquired for \$10.0 million that can support 800,000 square feet of development located at the north entrance of Aberdeen Proving Ground. The Company's land inventory totals 1,705 acres that can support 14.6 million square feet of development.

1

-
- \$12.6 million of dispositions closed in third quarter 2007, including two buildings located in New Jersey, one non-core building located in the BWI Corridor and a land parcel located in White Marsh.
 - 92.8% occupied and 93.2% leased for the Company's wholly owned portfolio as of September 30, 2007.
 - 2.9 million square feet under construction, development and redevelopment for a total projected cost of \$535.9 million.
 - 73.3% of leases expiring during the quarter were renewed, with a 7.8% increase in total straight line rent for renewed space.
 - 10% increase in quarterly common dividend from \$.31 to \$.34 per share.

"We are pleased with our financial performance for the quarter which reflects additional development coming on-line," stated Randall M. Griffin, President and Chief Executive Officer for Corporate Office Properties Trust. "Our initial 2008 FFO guidance reflects continued strong FFO growth for next year as we complete more development and increase both fee income and our core operating NOI," he added.

Financial Results

EPS for the quarter ended September 30, 2007 totaled \$.15 per diluted share, or \$7.4 million of net income available for common shareholders, as compared to \$.33 per diluted share, or \$14.5 million for the quarter ended September 30, 2006. Included in third quarter 2007 net income is gain on sales of real estate net of minority interests of \$3.4 million, as compared to \$12.7 million included in third quarter 2006. Also included in 2006 net income is an accounting charge of \$1.8 million or (\$.04) per share reflecting the write-off of initial issuance costs of the Series E preferred shares redeemed July 15, 2006.

Diluted FFO for the quarter ended September 30, 2007 totaled \$32.4 million, or \$.58 per diluted share, as compared to \$24.3 million, or \$.46 per diluted share, for the quarter ended September 30, 2006, representing an increase of 26.1% per share. Included in the third quarter 2006 FFO was the accounting charge of \$1.8 million for the Series E preferred share redemption. Without this charge, FFO per diluted share for the third quarter 2006, as adjusted, would have been \$.50 per share representing an increase of 16.0% for the third quarter 2007.

Diluted AFFO for the quarter ended September 30, 2007 totaled \$23.9 million as compared to \$19.2 million for third quarter 2006, representing an increase of 24.4%. The Company's diluted AFFO payout ratio was 79.1% for third quarter 2007 compared to 83.0% for third quarter 2006.

As of September 30, 2007, the Company had a total market capitalization of \$4.3 billion, with \$1.8 billion in debt outstanding, equating to a 41.5% debt-to-total market capitalization ratio. The Company's total quarterly weighted average interest rate was 5.9%, and 79.7% of total debt was subject to fixed interest rates. For the third quarter 2007, EBITDA interest coverage ratio was 2.92x and EBITDA fixed charge coverage ratio was 2.44x.

2

Operating Results

At September 30, 2007, the Company's wholly owned portfolio of 229 office properties totaling 17.7 million square feet, was 92.8% occupied and 93.2% leased. The weighted average remaining lease term for the portfolio was 4.9 years and the average rental rate (including tenant reimbursements of operating costs) was \$21.20 per square foot.

During the quarter, 312,000 square feet was renewed, equating to a 73.3% renewal rate, at an average capital cost of \$5.58 per square foot. Total rent on renewed space increased 7.8% on a straight-line basis and 2.1% on a cash basis. For renewed and retented space of 401,000 square feet, total straight-line rent increased 7.5% and total cash rent increased 1.7%. The average committed capital cost for renewed and retented space was \$8.21 per square foot.

Same office property cash NOI remained flat compared to the quarter ended September 30, 2006, despite a \$1.3 million drop in same office termination fees as compared to the quarter ended September 30, 2006. Excluding the effect of termination fees, our same office property cash NOI would have increased 2.6%, or \$1.2 million, as compared to the quarter ended September 30, 2006. The Company's same office portfolio consists of 160 properties and represents 79.8% of our wholly owned portfolio as of September 30, 2007.

The Company recognized total termination fees of \$1.2 million, net of write-offs of related straight-line rents and the write-off of previously unamortized deferred market revenue, as compared to \$1.3 million in the third quarter of 2006.

Development Activity

At quarter end September 30, the Company's development pipeline consisted of:

- Eight buildings under construction totaling 856,000 square feet for a total projected cost of \$182.0 million, that are 43.1% leased.
- Twelve buildings under development totaling 1.3 million square feet for a total projected cost of \$261.7 million.
- Three projects under redevelopment totaling 740,000 square feet for a total projected cost of \$92.2 million.

The Company's land inventory (wholly owned and joint venture) at quarter end totaled 1,705 acres that can support 14.6 million square feet of development.

During the quarter, the Company placed 106,000 square feet into service. As of September 30, 2007, the Company's development placed into service was 92.7% leased

During the quarter, the Company was selected as master developer for the 272 acre Colorado Springs Airport Mixed-Use Business Park. The business park is strategically located at the entrance of the Colorado Springs Airport and adjacent to the Peterson Air Force Base. The park can support approximately 3.5 million square feet of development of which 1.3 million square feet would be office development. The Company's multi-year phased development plan is to

create a business park and regional gateway that provides a dynamic mix of office space, industrial/flex space, retail and hospitality services. The Company will lease the land on a long-term basis as each parcel commences development, will oversee the development, construction, leasing and management of the business park and will have a leasehold interest in the buildings.

Acquisition Activity

During the quarter, the Company acquired the following assets:

- 56 acres of land for \$10.0 million that can support 800,000 square feet of office development. The site will be known as Northgate Business Park and is strategically located at the north entrance to Aberdeen Proving Ground in Aberdeen, Maryland.
- A 50.0% joint venture interest in ArundelPreserve #5, LLC on July 2, 2007, which owns 23 acres of land in Hanover, Maryland that can support up to 455,000 square feet of office development. The first building of 152,000 square feet is under construction with a targeted operational date of second quarter 2009.

Disposition Activity

During the quarter, the Company disposed of the following assets:

- Two office buildings totaling 32,000 square feet within its Northern/Central New Jersey portfolio for \$6.0 million. The Company recognized an aggregate gain of \$1.9 million.
- 40,000 square foot office building in the BWI Airport submarket for \$5.0 million and recognized a gain of \$868,000.
- 3.5 acre parcel of land located in White Marsh, Maryland and recognized a gain of \$1.1 million.

Financing and Capital Transactions

During the quarter, the Company increased its quarterly common dividend 10%, from \$.31 to \$.34 per share.

Subsequent Events

Since September 30, 2007, the Company has:

- Increased its borrowing capacity under its unsecured line of credit from \$500.0 million to \$600.0 million and extended its maturity date to September 30, 2011, which is subject to a one-year extension option. As part of the second amended and restated credit agreement, the Company achieved favorable interest rate pricing ranging from 75 basis points to 125 basis points over LIBOR, depending upon the Company's leverage ratio.
- Placed into service the 103,000 square feet development property located at 201 Technology Park Drive in Lebanon, Virginia. This building is leased through 2022 to Northrop Grumman Corporation and will house both the Virginia Information Technologies Agency (VITA) and Northrop Grumman operations.

- Executed a swap for an aggregate notional amount of \$50.0 million at a fixed one-month LIBOR rate of 4.33%, which commenced October 23, 2007 and expires October 23, 2009.

Earnings Guidance

The Company has revised its 2007 EPS guidance from \$.34 — \$.39 to \$.39 — \$.41 per diluted share, excluding any potential gains or losses from future sales of previously depreciated operating properties. The Company has also updated its 2007 FFO guidance to a range of \$2.23 — \$2.25 per diluted share from \$2.20 — \$2.25 per diluted share.

The Company's 2008 EPS guidance is \$.58 — \$.67 per diluted share, excluding any potential gains or losses from the sale of previously depreciated operating properties. The 2008 FFO guidance is \$2.40 — \$2.49 per diluted share, representing FFO growth of 8.0%— 11.0%. The Company will discuss the assumptions for the 2008 guidance during the earnings conference call.

Conference Call

The Company will hold an investor/analyst conference call:

Conference Call and Webcast Date: Tuesday, November 6, 2007

Time: 11:00 a.m. Eastern Time

Dial In Number: 800-638-5439

Passcode: 23616751

A replay of this call will be available beginning Tuesday, November 6 at 2:00 p.m. Eastern Time through Tuesday, November 20, 2007 at midnight Eastern Time. To access the replay, please call 888-286-8010 and use passcode 27041914.

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

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 located primarily in submarkets within the Greater Washington, DC region. As of September 30, 2007, the Company owned 247 office properties totaling 18.5 million rentable square feet, which includes 18 properties totaling 806,000 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

5

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.

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, 2006.

6

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

	Three Months Ended	
	September 30,	
	2007	2006
Revenues		
Real estate revenues	\$ 94,564	\$ 76,869

Service operations revenues	10,957	14,791
Total revenues	<u>105,521</u>	<u>91,660</u>
Expenses		
Property operating expenses	31,642	24,983
Depreciation and other amortization associated with real estate operations	26,587	21,510
Service operations expenses	10,313	13,960
General and administrative expenses	5,423	4,226
Total operating expenses	<u>73,965</u>	<u>64,679</u>
Operating income	31,556	26,981
Interest expense	(21,000)	(17,678)
Amortization of deferred financing costs	(901)	(736)
Income from continuing operations before equity in (loss) income of unconsolidated entities, income taxes and minority interests	9,655	8,567
Equity in (loss) income of unconsolidated entities	(46)	15
Income tax expense	(197)	(202)
Income from continuing operations before minority interests	9,412	8,380
Minority interests in income from continuing operations	(961)	(873)
Income from continuing operations	8,451	7,507
Income from discontinued operations, net of minority interests	1,942	12,483
Income before gain on sales of real estate	10,393	19,990
Gain on sales of real estate, net	1,038	597
Net income	11,431	20,587
Preferred share dividends	(4,025)	(4,307)
Issuance costs associated with redeemed preferred shares	—	(1,829)
Net income available to common shareholders	\$ 7,406	\$ 14,451
Earnings per share "EPS" computation		
Numerator	\$ 7,406	\$ 14,451
Denominator:		
Weighted average common shares - basic	46,781	42,197
Dilutive effect of share-based compensation awards	1,005	1,649
Weighted average common shares - diluted	<u>47,786</u>	<u>43,846</u>
EPS		
Basic	\$ 0.16	\$ 0.34
Diluted	\$ 0.15	\$ 0.33

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

	Three Months Ended September 30,	
	2007	2006
Net income	\$ 11,431	\$ 20,587
Add: Real estate-related depreciation and amortization	26,266	21,305
Add: Depreciation and amortization on unconsolidated real estate entities	166	362
Less: Depreciation and amortization allocable to minority interests in other consolidated entities	(48)	(36)
Less: Gain on sales of real estate, excluding development portion	(2,789)	(15,262)
Less: Issuance costs associated with redeemable preferred shares	—	(1,829)
Funds from operations ("FFO")	35,026	25,127
Add: Minority interests-common units in the Operating Partnership	1,351	3,509
Less: Preferred share dividends	(4,025)	(4,307)
Funds from Operations - basic and diluted ("Basic and Diluted FFO")	32,352	24,329
Less: Straight-line rent adjustments	(3,247)	(2,819)
Less: Recurring capital expenditures	(4,664)	(3,890)
Less: Amortization of deferred market rental revenue	(585)	(276)
Add: Issuance costs associated with redeemable preferred shares	—	1,829
Adjusted Funds from Operations - diluted ("Diluted AFFO")	\$ 23,856	\$ 19,173
Weighted average shares		
Weighted average common shares	46,781	42,197
Conversion of weighted average common units	8,297	8,562
Weighted average common shares/units - basic FFO per share	55,078	50,759
Dilutive effect of share-based compensation awards	1,005	1,649
Weighted average common shares/units - diluted FFO per share	<u>56,083</u>	<u>52,408</u>
Diluted FFO per common share	\$ 0.58	\$ 0.46
Dividends/distributions per common share/unit	\$ 0.34	\$ 0.31
Earnings payout ratio	217.3%	91.8%
Diluted FFO payout ratio	58.3%	65.4%
Diluted AFFO payout ratio	79.1%	83.0%
EBITDA interest coverage ratio	2.92x	3.60x
EBITDA fixed charge coverage ratio	2.44x	2.89x

Reconciliation of denominators for diluted EPS and diluted FFO per share

Denominator for diluted EPS	47,786	43,846
Weighted average common units	8,297	8,562
Denominator for diluted FFO per share	56,083	52,408

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

	Nine Months Ended September 30,	
	2007	2006
Revenues		
Real estate revenues	\$ 274,702	\$ 216,087
Service operations revenues	32,727	45,240
Total revenues	<u>307,429</u>	<u>261,327</u>
Expenses		
Property operating expenses	92,222	67,460
Depreciation and other amortization associated with real estate operations	80,487	58,138
Service operations expenses	31,463	43,125
General and administrative expenses	15,122	11,894
Total operating expenses	<u>219,294</u>	<u>180,617</u>
Operating income	88,135	80,710
Interest expense	(61,261)	(51,635)
Amortization of deferred financing costs	(2,706)	(1,898)
Gain on sale of non-real estate investment	1,033	—
Income from continuing operations before equity in loss of unconsolidated entities, income taxes and minority interests	25,201	27,177
Equity in loss of unconsolidated entities	(197)	(40)
Income tax expense	(480)	(623)
Income from continuing operations before minority interests	24,524	26,514
Minority interests in income from continuing operations	(2,341)	(3,029)
Income from continuing operations	22,183	23,485
Income from discontinued operations, net of minority interests	1,473	15,423
Income before gain on sales of real estate	23,656	38,908
Gain on sales of real estate, net	1,199	732
Net income	24,855	39,640
Preferred share dividends	(12,043)	(11,614)
Issuance costs associated with redeemed preferred shares	—	(1,829)
Net income available to common shareholders	\$ 12,812	\$ 26,197
Earnings per share "EPS" computation		
Numerator	\$ 12,812	\$ 26,197
Denominator:		
Weighted average common shares - basic	46,386	41,134
Dilutive effect of share-based compensation awards	1,180	1,785
Weighted average common shares - diluted	<u>47,566</u>	<u>42,919</u>
EPS		
Basic	\$ 0.28	\$ 0.64
Diluted	\$ 0.27	\$ 0.61

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

	Nine Months Ended September 30,	
	2007	2006
Net income	\$ 24,855	\$ 39,640
Add: Real estate-related depreciation and amortization	79,653	58,863
Add: Depreciation and amortization on unconsolidated real estate entities	503	565
Less: Depreciation and amortization allocable to minority interests in other consolidated entities	(137)	(122)
Less: Gain on sales of real estate, excluding development portion	(2,778)	(17,715)
Less: Issuance costs associated with redeemable preferred shares	—	(1,829)
Funds from operations ("FFO")	<u>102,096</u>	<u>79,402</u>
Add: Minority interests-common units in the Operating Partnership	2,424	6,072
Less: Preferred share dividends	<u>(12,043)</u>	<u>(11,614)</u>

Funds from Operations - basic and diluted ("Basic and Diluted FFO")	92,477	73,860
Less: Straight-line rent adjustments	(9,042)	(7,256)
Less: Recurring capital expenditures	(14,331)	(10,123)
Less: Amortization of deferred market rental revenue	(1,569)	(1,326)
Add: Issuance costs associated with redeemable preferred shares	—	1,829
Adjusted Funds from Operations - diluted ("Diluted AFFO")	\$ 67,535	\$ 56,984
Weighted average shares		
Weighted average common shares	46,386	41,134
Conversion of weighted average common units	8,339	8,516
Weighted average common shares/units - basic FFO per share	54,725	49,650
Dilutive effect of share-based compensation awards	1,180	1,785
Weighted average common shares/units - diluted FFO per share	55,905	51,435
Diluted FFO per common share	\$ 1.65	\$ 1.44
Dividends/distributions per common share/unit	\$ 0.96	\$ 0.87
Earnings payout ratio	353.1%	138.9%
Diluted FFO payout ratio	57.5%	59.2%
Diluted AFFO payout ratio	78.7%	76.8%
Reconciliation of denominators for diluted EPS and diluted FFO per share		
Denominator for diluted EPS	47,566	42,919
Weighted average common units	8,339	8,516
Denominator for diluted FFO per share	55,905	51,435

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

	September 30, 2007	December 31, 2006
Balance Sheet Data (in thousands) (as of period end):		
Investment in real estate, net of accumulated depreciation	\$ 2,584,945	\$ 2,111,310
Total assets	2,916,023	2,419,601
Debt	1,799,912	1,498,537
Total liabilities	1,951,648	1,629,111
Minority interests	131,607	116,187
Beneficiaries' equity	832,768	674,303
Debt to Total Assets	61.7%	61.9%
Debt to Undepreciated Book Value of Real Estate Assets	60.6%	62.0%
Debt to Total Market Capitalization	41.5%	34.9%
Property Data (wholly owned properties) (as of period end):		
Number of operating properties owned	229	170
Total net rentable square feet owned (in thousands)	17,722	15,050
Occupancy	92.8%	92.8%
Reconciliation of denominator for debt to total assets to denominator for debt to undepreciated book value of real estate assets		
Denominator for debt to total assets	\$ 2,916,023	\$ 2,419,601
Assets other than assets included in investment in real estate	(331,078)	(308,291)
Accumulated depreciation on real estate assets	270,580	219,574
Intangible assets on real estate acquisitions, net	116,368	87,325
Denominator for debt to undepreciated book value of real estate assets	\$ 2,971,893	\$ 2,418,209

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
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	\$ 4,605	\$ 4,552	\$ 18,795	\$ 10,742
Total capital improvements on operating properties	2,514	2,276	6,482	7,935
Total leasing costs on operating properties	719	3,416	5,712	5,783
Less: Nonrecurring tenant improvements and incentives on operating properties	(1,887)	(3,340)	(11,381)	(6,373)
Less: Nonrecurring capital improvements on operating properties	(1,198)	(467)	(3,052)	(4,054)
Less: Nonrecurring leasing costs incurred on operating properties	(89)	(2,783)	(2,281)	(4,217)
Add: Recurring improvements on operating properties held through joint ventures	—	236	56	307
Recurring capital expenditures	\$ 4,664	\$ 3,890	\$ 14,331	\$ 10,123

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Reconciliation of dividends for Earnings Payout Ratio to dividends and distributions for FFO & AFFO Payout Ratio				
Common share dividends for earnings payout ratio	\$ 16,092	\$ 13,265	\$ 45,234	\$ 36,378
Common unit distributions	2,777	2,643	7,905	7,374
Dividends and distributions for FFO & AFFO payout ratio	<u>\$ 18,869</u>	<u>\$ 15,908</u>	<u>\$ 53,139</u>	<u>\$ 43,752</u>
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	\$ 7,406	\$ 14,451	\$ 12,812	\$ 26,197
Add: Issuance costs associated with redeemed preferred shares	—	1,829	—	1,829
Numerator for diluted EPS, as adjusted	<u>\$ 7,406</u>	<u>\$ 16,280</u>	<u>\$ 12,812</u>	<u>\$ 28,026</u>
Numerator for diluted FFO, as reported	\$ 32,352	\$ 24,329	\$ 92,477	\$ 73,860
Add: Issuance costs associated with redeemed preferred shares	—	1,829	—	1,829
Numerator for diluted FFO, as adjusted	<u>\$ 32,352</u>	<u>\$ 26,158</u>	<u>\$ 92,477</u>	<u>\$ 75,689</u>
Reconciliation of GAAP net income to earnings before interest, income taxes, depreciation and amortization ("EBITDA")				
Net income	\$ 11,431	\$ 20,587		
Interest expense on continuing operations	21,000	17,678		
Interest expense on discontinued operations	145	506		
Income tax expense	197	202		
Real estate-related depreciation and amortization	26,266	21,305		
Amortization of deferred financing costs-continuing operations	901	736		
Amortization of deferred financing costs-discontinued operations	—	128		
Other depreciation and amortization	339	601		
Minority interests	1,504	3,636		
EBITDA	<u>\$ 61,783</u>	<u>\$ 65,379</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	\$ 21,000	\$ 17,678		
Interest expense from discontinued operations	145	506		
Denominator for interest coverage-EBITDA	21,145	18,184		
Preferred share dividends	4,025	4,307		
Preferred unit distributions	165	165		
Denominator for fixed charge coverage-EBITDA	<u>\$ 25,335</u>	<u>\$ 22,656</u>		
Reconciliation of same property net operating income to same property cash net operating income and same property cash net operating income, adjusted for lease termination fees				
Same property net operating income	\$ 50,530	\$ 50,793		
Less: Straight-line rent adjustments	(1,951)	(2,533)		
Less: Amortization of deferred market rental revenue	(541)	(159)		
Same property cash net operating income	48,038	48,101		
Less: Lease termination fees, gross	(610)	(1,883)		
Same property cash net operating income, adjusted for lease termination fees	<u>\$ 47,428</u>	<u>\$ 46,218</u>		

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

Reconciliation of projected EPS-diluted to projected diluted FFO per share

	Low	High
	Year Ending December 31, 2007	
Reconciliation of numerators		
Numerator for projected EPS-diluted	\$ 18,500	\$ 19,500
Less: Gain on sales of real estate, excluding development portion (1)	(2,778)	(2,778)
Real estate-related depreciation and amortization	105,415	105,415
Minority interests-common units	3,419	3,604
Numerator for projected diluted FFO per share	<u>\$ 124,556</u>	<u>\$ 125,741</u>
Reconciliation of denominators		
Denominator for projected EPS-diluted	47,630	47,630

Weighted average common units		8,297	8,297
Denominator for projected diluted FFO per share		55,927	55,927
Projected EPS - diluted	\$	0.39	\$ 0.41
Projected diluted FFO per share	\$	2.23	\$ 2.25

(1) Reconciliation excludes any potential gains or losses from future sales of previously depreciated operating properties.

	Year Ending December 31, 2008		
Reconciliation of numerators (1)			
Numerator for projected EPS-diluted	\$	28,174	\$ 32,451
Real estate-related depreciation and amortization (2)		101,983	101,983
Minority interests-common units		5,089	5,862
Numerator for projected diluted FFO per share	\$	135,246	\$ 140,296
Reconciliation of denominators			
Denominator for projected EPS-diluted		48,257	48,257
Weighted average common units		8,168	8,168
Denominator for projected diluted FFO per share		56,425	56,425
Projected EPS - diluted	\$	0.58	\$ 0.67
Projected diluted FFO per share	\$	2.40	\$ 2.49

(1) Reconciliation excludes any potential gains or losses from the sale of previously depreciated operating properties.

(2) The estimate of real estate-related depreciation and amortization excludes any impact of potential write-offs resulting from lease terminations.

Top Twenty Office Tenants of Wholly Owned Properties as of September 30, 2007 (1)
(Dollars in thousands)

Tenant	Number of Leases	Total Occupied Square Feet	Percentage of Total Occupied Square Feet	Total Annualized Rental Revenue (2) (3)	Percentage of Total Annualized Rental Revenue	Weighted Average Remaining Lease Term (4)	
United States of America	(5)	59	2,338,501	14.2%	\$ 53,843	15.4%	6.1
Northrop Grumman Corporation	(6)	16	942,600	5.7%	23,085	6.6%	6.8
Booz Allen Hamilton, Inc.		9	723,255	4.4%	19,643	5.6%	6.7
Computer Sciences Corporation	(6)	4	454,645	2.8%	11,446	3.3%	3.7
Unisys Corporation	(7)	4	760,145	4.6%	8,843	2.5%	2.0
L-3 Communications Holdings, Inc.	(6)	4	221,493	1.3%	8,838	2.5%	6.2
General Dynamics Corporation		9	284,415	1.7%	7,249	2.1%	2.5
Wachovia Corporation	(6)	5	189,478	1.2%	6,744	1.9%	10.7
The Aerospace Corporation		2	221,785	1.3%	6,504	1.9%	7.2
Comcast Corporation		11	342,266	2.1%	6,091	1.8%	4.4
AT&T Corporation	(6)	9	337,052	2.0%	6,041	1.7%	5.1
The Boeing Company	(6)	4	143,480	0.9%	4,085	1.2%	4.0
Ciena Corporation		3	221,609	1.3%	3,675	1.1%	4.4
Science Applications International Corp.		12	170,839	1.0%	3,238	0.9%	1.4
Magellan Health Services, Inc.		3	142,199	0.9%	3,021	0.9%	3.2
BAE Systems PLC	(6)	7	212,339	1.3%	2,873	0.8%	3.3
The Johns Hopkins University		4	129,735	0.8%	2,834	0.8%	8.4
Merck & Co., Inc. (Unisys)	(7)	2	227,273	1.4%	2,670	0.8%	1.7
Wyle Laboratories, Inc.		4	174,792	1.1%	2,461	0.7%	5.0
AARP		1	104,695	0.6%	2,454	0.7%	14.2
Subtotal Top 20 Office Tenants	172	8,342,596	50.7%	185,638	53.2%	5.7	
All remaining tenants	766	8,103,712	49.3%	163,099	46.8%	4.0	
Total/Weighted Average	938	16,446,308	100.0%	\$ 348,737	100.0%	4.9	

(1) Table excludes owner occupied leasing activity which represents 151,127 square feet with a weighted average remaining lease term of 7.1 years as of September 30, 2007.

(2) Total Annualized Rental Revenue is the monthly contractual base rent as of September 30, 2007, multiplied by 12, plus the estimated annualized expense reimbursements under existing office leases.

(3) Order of tenants is based on Annualized Rent.

(4) The weighting of the lease term was computed using Total Rental Revenue.

(5) 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.

(6) Includes affiliated organizations or agencies.

(7) Merck & Co., Inc. subleases 219,065 rentable square feet from Unisys' 960,349 leased rentable square feet in our Greater Philadelphia region.