
**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) February 13, 2008 (February 13, 2008)

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))
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Item 2.02. Results of Operations and Financial Condition

In connection with its release of earnings on February 13, 2008, the Registrant is making available certain additional information pertaining to its properties and operations as of and for the period ended December 31, 2007. This information is furnished herewith as Exhibit 99.1 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 after adjustments for unconsolidated partnerships and joint ventures. Gains from the sale of real estate that are attributable to sales of non-operating properties are included in FFO. Gains from sales of newly-developed properties less accumulated depreciation, if any, required under GAAP are also 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

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

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

Funds from operations-Basic (“Basic FFO”)

Basic FFO is FFO adjusted to (1) subtract (a) preferred share dividends and (b) issuance costs associated with redeemed preferred shares 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.

FFO per diluted 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

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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.

Funds from operations-diluted (“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.

FFO-diluted, 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. 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 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

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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 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 expenditures, 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.

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Combined real estate revenue

Combined real estate revenue is total revenue from real estate operations, including rental revenue and tenant recoveries and other revenue, including discontinued operations. The Registrant uses this measure to evaluate the revenue produced by its real estate properties, including those reported in discontinued operations. The Registrant believes that total revenue is the most directly comparable GAAP measure to combined real estate revenue. Combined real estate revenue excludes other types of revenue earned by the Registrant, including construction contract and other service operations revenues. The measure also includes discontinued operations and, by doing so, does not reflect the overall operating performance of the Registrant’s continuing operations. Management compensates for these limitations by evaluating this measure in conjunction with the most directly comparable GAAP measure and other operating statistics involving revenue.

Combined net operating income (“Combined NOI”)

Combined NOI is combined real estate 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 Combined 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 Combined 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. Combined NOI presented by the Registrant may not be comparable to Combined NOI presented by other equity REITs that define the measure differently.

Cash net operating income (“Cash NOI”)

Cash NOI is Combined 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 Combined NOI for revenue that is not associated with cash to the Registrant. As is the case with Combined 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,

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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.

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.

Interest Coverage Ratio-Combined NOI and Interest Coverage Ratio-EBITDA

These measures divide either combined NOI or EBITDA by interest expense on continuing and discontinued operations. The Registrant believes that these ratios are useful measures in evaluating the relationship of earnings to the total cash flow requirements for interest on loans associated with operating properties and, as such, are important tools in the Registrant's finance policy management.

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Debt Service Coverage Ratio-Combined NOI and Debt Service Coverage Ratio-EBITDA

These measures divide either combined NOI or EBITDA by the sum of interest expense on continuing and discontinued operations and scheduled principal amortization on mortgage loans for continuing and discontinued operations. The Registrant believes that these ratios are useful measures in evaluating the relationship of earnings to the total cash flow requirements of loans associated with operating properties and, as such, are important tools in the Registrant's finance policy management.

Fixed Charge Coverage Ratio-Combined NOI and Fixed Charge Coverage Ratio-EBITDA

These measures divide either combined NOI or 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 these ratios are useful measures 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, are important tools in the Registrant's finance policy management.

Combined NOI as a Percentage of Combined Real Estate Revenues and EBITDA as a Percentage of Combined Real Estate Revenues

These measures divide either Combined NOI or EBITDA by total real estate revenues from continuing and discontinued operations. The Registrant believes that net income divided by combined real estate revenue is the most directly comparable GAAP measure to these two measures.

General and Administrative Expenses as a Percentage of Combined Real Estate Revenue or EBITDA

These measures divide general and administrative expenses by either Combined Real Estate Revenue or EBITDA. The Registrant believes that general and administrative expenses divided by net income is the most directly comparable GAAP measure.

Recurring Capital Expenditures as a Percentage of Combined NOI

This measure divides recurring capital expenditures by NOI.

FFO Diluted Payout Ratio and AFFO Diluted Payout Ratio

These measures are defined as (1) the sum of (A) dividends on common shares and (B) dividends on 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 FFO Diluted Payout Ratio and AFFO Diluted Payout Ratio 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.

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Dividend Coverage-FFO Diluted and Dividend Coverage-AFFO Diluted

These measures divide either Diluted FFO or Diluted AFFO by the sum of (1) dividends on common shares and (2) dividends on 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.

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 the measure of Debt to Undepreciated Real Estate Assets is useful to management and investors as a supplemental measure of its borrowing levels. In addition, since most equity REITs provide Debt to Undepreciated Real Estate Asset information, the Registrant believes Debt to Undepreciated Real Estate Assets 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 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

Exhibit Number	Description
99.1	Supplemental information dated December 31, 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: February 13, 2008

CORPORATE OFFICE PROPERTIES TRUST

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

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

EXHIBIT INDEX

Exhibit Number	Exhibit Title
99.1	Supplemental information dated December 31, 2007 for Corporate Office Properties Trust.

**Supplemental Information
(Unaudited)**

December 31, 2007



**Corporate Office Properties Trust
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December 31, 2007**

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We prepared this supplemental information package to provide you with additional detail on our properties and operations. The information in this package is unaudited, furnished to the Securities and Exchange Commission ("SEC") and should be read in conjunction with our quarterly and annual reports. If you have any questions or comments, please contact Ms. Mary Ellen Fowler, Vice President and Treasurer at (443) 285-5450 or maryellen.fowler@copt.com. Reconciliations between GAAP and non GAAP measurements have been provided on page 45. Refer to our Form 8-K for definitions of certain terms used herein.

Reporting Period Highlights – Year Ended December 31, 2007

Financial Results

- Reported FFO – diluted of \$125,309,000 or \$2.24 per share/unit for the year ended December 31, 2007 as compared to \$98,937,000 or \$1.91 per share/unit for the comparable 2006 period, representing an increase of 17.3% per share/unit. Included in our 2006 FFO – diluted is a \$3.9 million accounting charge associated with the Series E and Series F preferred share redemptions. Without this accounting charge, our 2006 FFO – diluted, as adjusted, would have been \$1.99 per share, representing an increase of 12.6% per share/unit.
- Reported Net Income Available to Common Shareholders of \$18,716,000 or \$.39 per diluted share for the year ended December 31, 2007 as compared to \$29,927,000 or \$.69 per diluted share for the comparable 2006 period, representing a decrease of 43.5% per share. Included in 2007 net income is a gain on sale of real estate of approximately \$4.8 million, net of minority interests and income taxes, as compared to a gain on sale of real estate of approximately \$14.8 million, net of minority interests and income taxes, in 2006 net income. Also included in 2006 net income is an accounting charge of \$3.9 million, or \$.09 per share, for the write-off of initial issuance costs related to the Series E and Series F preferred share redemptions.
- Reported AFFO – diluted of \$90,767,000 for the year ended December 31, 2007 as compared to \$74,679,000 for the comparable 2006 period, representing an increase of 21.5%.
- Our FFO payout ratio was 57.5% for the year ended December 31, 2007 as compared to 60.3% for the comparable 2006 period. Our AFFO payout ratio was 79.3% for the year ended December 31, 2007 as compared to 79.9% for the comparable 2006 period.

Acquisitions / Dispositions

During 2007, we continued our strategy of reducing our position in non-core markets and redeploying funds into our core and expansion markets. Some highlights follow:

- Core markets - We acquired 56 operating assets, containing approximately 2.4 million square feet, and 187 acres of land, developable into approximately 2.0 million square feet, for \$362.5 million plus \$1.4 million in transaction costs (collectively, the "Nottingham portfolio"). As a result of the Nottingham portfolio, we obtained a dominant ownership position in the White Marsh submarket. Through this opportunistic transaction, we recognized a gain of \$3.0 million (\$1.9 million after-tax gain) on the sale of 16.5 acres of development land. In addition, we sold a 56,000 square foot operating property for \$6.8 million and recognized a gain of \$1.1 million.
- Dispositions - We sold four non-core properties (including the 56,000 square foot operating property mentioned above) totaling 128,153 square feet for \$17.8 million and realized a gain of \$3.9 million.

Financing Activity and Capital Transactions

- During the year, we raised \$194.0 million of equity, including \$167.4 million from the issuance of 3.4 million common shares/units with an average deemed value of \$48.90 per share/unit and \$26.6 million from the issuance of Series K convertible preferred shares. These Series K convertible preferred shares accrue annual dividends at the rate of \$2.80 per share, which is equal to 5.6% of the \$50.00 per share liquidation preference on these preferred shares. Of these equity issuances, approximately \$181.5 million funded part of the \$362.5 million Nottingham portfolio acquisition.

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- We increased our quarterly dividend 9.7% to \$.34 per share from \$.31 per share.
- In October 2007, we increased the borrowing capacity under our unsecured line of credit from \$500.0 to \$600.0 million and extended the maturity date to September 30, 2011, subject to a one-year extension option. As part of the second amended and restated credit agreement, we improved our interest rate pricing ranging from 75 basis points to 125 basis points over LIBOR, depending upon our leverage ratio.
- In May 2007, we closed a \$150.0 million, ten year, 5.65% fixed interest rate loan which requires interest only payments. We primarily used the net proceeds to retire \$120.5 million of existing indebtedness scheduled to mature in June 2007.

Development / Joint Ventures

- We created development opportunities primarily through the \$10.0 million purchase of 56 acres of land which can support potential development of 800,000 square feet of office space. This site is strategically located adjacent to Aberdeen Proving Ground in Aberdeen, Maryland and will be known as Northgate Business Park. In addition, we acquired the remaining 50% undivided interest for \$14.0 million in a 132 acre parcel of land located in InterQuest Office Business Park in Colorado Springs, Colorado, which can support up to 1.9 million square feet of office space.
- We placed into service 548,614 square feet in six properties in the year ended December 31, 2007. One of these properties contained 68,196 square feet placed into service during 2006. This total space, consisting of 616,810 square feet, was 95.4% leased as of December 31, 2007. Two of these properties containing 295,842 square feet are classified as "data centers."
- Within our Colorado Springs region, the City of Colorado Springs selected us as the master developer for a 272 acre site, which can support approximately 3.5 million square feet of office, retail, industrial and flex space. This land parcel, located adjacent to the Colorado Springs Airport and Peterson Air Force Base, represents an \$800.0 million strategic opportunity which we expect to fund over the next fifteen to twenty years.
- In July 2007, we acquired a 50% joint venture interest in Arundel Preserve #5, LLC which owns a 23 acre land parcel located in Hanover, Maryland that can support up to 455,400 square feet of office development, of which 151,800 square feet are under construction.

Operations

- During 2007, we leased 2.6 million square feet including 2.2 million square feet of renewed and retented space, 238,000 square feet of previously unoccupied space and 104,000 square feet of new development space.
- We renewed 1.7 million square feet, or 69.1%, of our expiring office leases (based upon square footage) with an average capital cost of \$5.93 per square foot during the year ended December 31, 2007. For our renewed space only, we realized an increase of 9.5% as measured from the GAAP straight-line rent in effect preceding the renewal date, and an increase of 2.5% in total cash rent. For our renewed and retented space of 2.2 million square feet, we realized an increase in total rent of 7.3%, as measured from the GAAP straight-line rent in effect preceding the renewal date, and an increase of 0.9% in total cash rent. We incurred an average committed cost of \$9.58 per square foot for our renewed and retented space for the year.
- For our entire portfolio, we recognized \$4.1 million in lease termination fees, net of write-offs of related straight-line rents and previously unamortized deferred market revenue (SFAS 141 revenues) for the year ended December 31, 2007, as compared to \$5.7 million for the year ended December 31, 2006.
- In June 2007, we received \$2.5 million and recognized a \$1.0 million gain in connection with the disposition of most of our investment in TractManager, Inc. TractManager, Inc. is an entity that developed an Internet-based contract imaging and management system for sale to real estate owners and healthcare providers. We will continue to use the cost method of accounting for our \$128,000 remaining investment.

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Reporting Period Highlights – Fourth Quarter 2007

Financial Results

- Reported FFO – diluted of \$32,832,000 or \$.59 per share/unit, for the fourth quarter of 2007 as compared to \$25,077,000, or \$.48 per share/unit, for the comparable 2006 period, representing an increase of 22.9% per share/unit. Included in our fourth quarter 2006 FFO – diluted is a \$2.1 million accounting charge associated with the Series F preferred share redemption. Without this accounting charge, our FFO – diluted, as adjusted, would have been \$.52 per share, representing an increase of 13.5% as compared to the fourth quarter of 2007.
- Reported Net Income Available to Common Shareholders of \$5,904,000, or \$.12 per diluted share, for the fourth quarter of 2007 as compared to \$3,730,000, or \$.08 per diluted share, for the comparable 2006 period. Included in fourth quarter 2006 net income is an accounting charge of \$2.1 million, or \$.05 per share, for the write-off of initial issuance costs related to the Series F preferred share redemption.
- Reported AFFO – diluted of \$23,232,000 for the fourth quarter of 2007 as compared to \$17,695,000 for the comparable 2006 period, representing an increase of 31.3%.
- Our FFO payout ratio was 57.5% for the fourth quarter of 2007 as compared to 63.5% for the comparable 2006 period. Our AFFO payout ratio was 81.2% for the fourth quarter of 2007 as compared to 89.9% for the comparable 2006 period.

Financing Activity and Capital Transactions

- In October, we executed a swap for an aggregate notional amount of \$50.0 million at a fixed one-month LIBOR rate of 4.330%, which commenced October 23, 2007 and expires on October 23, 2009.
- As of December 31, 2007, our ratio of debt to market capitalization was 48.0%, and our ratio of debt to undepreciated book value of real estate assets was 60.9%. We achieved an EBITDA interest coverage ratio of 2.95x and an EBITDA fixed charge coverage ratio of 2.45x for this quarter.

Dispositions

- During the fourth quarter, we sold 11.6 acres of land located in Owings Mills, Maryland for \$6.4 million and recognized a gain of \$1.7 million (or an after-tax gain of \$.7 million). In addition, we sold a 56,000 square foot operating property, classified as discontinued operations, for \$6.8 million and recognized a gain of \$1.1 million.

Development

- During the fourth quarter, we placed into service 228,523 square feet, 100% leased, in the following two buildings: 320 Sentinel Way (known as 320 NBP) and 201 Technology Park Drive.
- In December, we signed a 75,000 square foot, ten year lease with ITT Corporation, Systems Division for 655 Space Center Drive (known as Patriot Park VI) in Colorado Springs, Colorado. This development property is 72.1% leased as of December 31, 2007.

Operations

- Our wholly owned portfolio was 92.59% occupied and 93.42% leased, as of December 31, 2007. Our entire portfolio was 92.49% occupied and 93.29% leased, as of December 31, 2007.
- Our same office property cash NOI for the quarter ended December 31, 2007 increased by 6.6%, or \$3.1 million, as compared to the quarter ended December 31, 2006. Our same office portfolio consists of 162 properties and represents 81.3% of our wholly owned portfolio as of December 31, 2007.

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- Weighted average lease term of our wholly owned portfolio is 5.0 years, as of December 31, 2007 with an average contractual rental rate (including tenant reimbursements of operating costs) of \$21.36 per square foot.
 - We renewed 300,970 square feet, or 60.4%, of our expiring office leases (based upon square footage) with an average committed cost of \$3.98 per square foot during the fourth quarter. For our renewed space only, we realized an increase in total rent of 16.0%, as measured from the GAAP straight-line rent in effect preceding the renewal date, and an increase of 7.4% in total cash rent. For our renewed and retented space of 436,116 square feet, we realized an increase in total rent of 8.5%, as measured from the GAAP straight-line rent in effect preceding the renewal date and an increase of 0.2% in total cash rent. We incurred an average committed cost of \$12.83 per square foot for our renewed and retented space in the fourth quarter.
 - We recognized \$6 million in lease termination fees, net of write-offs of related straight-line rents and accretion of intangible assets and liabilities (i.e., SFAS 141 revenues) in the quarter ended December 31, 2007, as compared to \$3.4 million in the quarter ended December 31, 2006.

Subsequent Events

- On January 29, 2008, we completed the formation of M Square Associates, LLC, a joint venture in which we hold a 45% equity interest. This joint venture will own, develop and manage office properties, approved for up to approximately 750,000 square feet, located in M Square Research Park in College Park, Maryland. This joint venture is constructing a 118,107 square foot property located at 5825 University Research Court, within M Square Research Park.
- On January 29, 2008, we placed into service the entire 59,763 square foot property located at 1055 North Newport Road in Colorado Springs, Colorado which is 100% leased to SI International, Inc. for a ten year term.
- On January 31, 2008, we sold a 142,385 square foot operating property located in Central New Jersey for \$17.0 million and realized an estimated gain of \$1.3 million. We now own only three properties totaling 242,598 square feet in Central New Jersey.

Forward-Looking Statements

This supplemental information contains “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 our current expectations, estimates and projections about future events and financial trends affecting us. 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 we cannot predict with accuracy and some of which we might not even anticipate. Accordingly, we can give no assurance that these expectations, estimates and projections will be achieved. Future events and actual results may differ materially from those discussed in the forward-looking statements.

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

- our 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 our joint venture partners may not fulfill their financial obligations as investors or may take actions that are inconsistent with our 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.

We undertake no obligation to update or supplement any forward-looking statements. For further information, please refer to our filings with the Securities and Exchange Commission, particularly the section entitled "Risk Factors" in Item 1 of our Annual Report on Form 10-K for the year ended December 31, 2006.

Annual Selected Financial Summary Data
(Dollars in thousands)

	December 31		
	2007	2006	2005
Revenues from Real Estate Operations	\$ 368,949	\$ 293,578	\$ 236,809
EBITDA	235,271	213,389	169,135
Net Income	34,784	49,227	39,031
Preferred Share dividends	(16,068)	(15,404)	(14,615)
Issuance costs associated with redeemed preferred shares	—	(3,896)	—
Net Income Available to Common Shareholders	\$ 18,716	\$ 29,927	\$ 24,416
Earnings per diluted share	\$ 0.39	\$ 0.69	\$ 0.63
Earnings per diluted share, as adjusted for issuance costs associated with redeemed preferred shares	\$ 0.39	\$ 0.78	\$ 0.63
Funds From Operations (FFO) - Diluted	\$ 125,309	\$ 98,937	\$ 88,801
FFO per diluted share	\$ 2.24	\$ 1.91	\$ 1.86
FFO per diluted share, as adjusted for issuance costs associated with redeemed preferred shares	\$ 2.24	\$ 1.99	\$ 1.86
Adjusted FFO - Diluted	\$ 90,767	\$ 74,679	\$ 63,414
Payout Ratios:			
Earnings Payout	327.7%	166.0%	166.9%
FFO - Diluted	57.5%	60.3%	56.3%
AFFO - Diluted	79.3%	79.9%	78.8%
Total Dividends/Distributions	\$ 88,741	\$ 75,730	\$ 65,252

Note: The above presentation does not separately report discontinued operations.

Annual Consolidated Balance Sheets
(Dollars in thousands except per share data)

	December 31		
	2007	2006	2005
Assets			
Investment in real estate:			
Land - operational	\$ 416,711	\$ 343,098	\$ 314,720
Land - development	214,696	153,436	117,434
Construction in progress	181,316	144,991	138,183
Buildings and improvements	2,079,136	1,689,359	1,491,253
Investment in and advances to unconsolidated real estate joint ventures	—	—	1,451
Less: accumulated depreciation	(288,387)	(219,574)	(174,935)
Net investment in real estate	2,603,472	2,111,310	1,888,106
Cash and cash equivalents	24,638	7,923	10,784
Restricted cash	15,121	52,856	21,476
Accounts receivable, net	24,831	26,367	15,606
Deferred rent receivable	53,631	41,643	32,579
Deferred charges, net	49,051	43,710	35,046
Intangible assets on real estate acquisitions, net	108,661	87,325	90,984

Prepaid and other assets	52,448	48,467	35,178
Total assets	\$ 2,931,853	\$ 2,419,601	\$ 2,129,759
Liabilities and shareholders' equity			
Liabilities:			
Mortgage and other loans payable	\$ 1,625,842	\$ 1,298,537	\$ 1,348,351
3.5% Exchangeable Senior Notes	200,000	200,000	—
Accounts payable and accrued expenses	75,363	68,190	41,693
Rents received in advance and security deposits	30,978	20,237	14,774
Deferred revenue associated with acquired operating leases	11,530	11,120	12,707
Distributions in excess of investment in unconsolidated real estate joint ventures	4,246	3,614	3,081
Dividends/distributions payable	22,441	19,164	16,703
Other liabilities	8,716	8,249	4,727
Total liabilities	1,979,116	1,629,111	1,442,036
Minority interests:			
Preferred Units in the Operating Partnership	8,800	8,800	8,800
Common Units in the Operating Partnership	114,127	104,934	95,014
Other consolidated real estate joint ventures	7,168	2,453	1,396
Total minority interests	130,095	116,187	105,210
Commitments and contingencies			
	—	—	—
Shareholders' equity:			
Preferred Shares (\$0.01 par value; 15,000,000 authorized)	81	76	67
Common Shares of beneficial interest (\$0.01 par value; 75,000,000 authorized, 47,366,475 shares issued as of December 31, 2007)	474	429	399
Additional paid-in capital	950,615	758,032	657,339
Cumulative distributions in excess of net income	(126,156)	(83,541)	(67,697)
Value of unearned restricted common share grants	—	—	(7,113)
Accumulated other comprehensive loss	(2,372)	(693)	(482)
Total shareholders' equity	822,642	674,303	582,513
Total shareholders' equity and minority interests	952,737	790,490	687,723
Total liabilities and shareholders' equity	\$ 2,931,853	\$ 2,419,601	\$ 2,129,759

Note: The above presentation does not separately report discontinued operations.

Annual Consolidated Statements of Operations
(Dollars and units in thousands)

	December 31		
	2007	2006	2005
Revenues			
Rental revenue	\$ 315,588	\$ 253,913	\$ 208,144
Tenant recoveries and other real estate operations revenue	53,361	39,665	28,665
Construction contract revenues	37,074	52,182	74,357
Other service operations revenues	4,151	7,902	4,877
Total Revenues	410,174	353,662	316,043
Expenses			
Property operating	123,282	92,907	70,337
Depreciation and amortization associated with real estate operations	106,331	78,054	60,427
Construction contract expenses	35,723	49,961	72,534
Other service operations expenses	4,070	7,384	4,753
General and administrative expenses	20,523	16,936	13,533
Total Operating Expenses	289,929	245,242	221,584
Operating Income	120,245	108,420	94,459
Interest expense	(82,032)	(70,260)	(53,906)
Amortization of deferred financing costs	(3,676)	(2,847)	(2,229)
Gain on sales of non-real estate investments	1,033	—	—
Income from continuing operations before equity in loss of unconsolidated entities, income taxes and minority interests	35,570	35,313	38,324
Equity in loss of unconsolidated entities	(224)	(92)	(88)
Income tax expense	(569)	(887)	(668)
Income from continuing operations before minority interests	34,777	34,334	37,568
Minority interest in income from continuing operations			
Common units in the Operating Partnership	(2,860)	(3,302)	(4,326)
Preferred units in the Operating Partnership	(660)	(660)	(660)
Other consolidated entities	122	136	85
Income from continuing operations	31,379	30,508	32,667
Income from discontinued operations, net of income taxes and minority interests	1,845	17,987	6,096
Income before gain on sales of real estate	33,224	48,495	38,763
Gain on sales of real estate, net of income taxes and minority interests	1,560	732	268
Net Income	34,784	49,227	39,031
Preferred share dividends	(16,068)	(15,404)	(14,615)
Issuance costs associated with redeemed preferred shares	—	(3,896)	—
Net Income Available to Common Shareholders	\$ 18,716	\$ 29,927	\$ 24,416

For EPS Computations:

Numerator:

Numerator for Dilutive EPS Computation	\$ 18,716	\$ 29,927	\$ 24,416
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Denominator:

Weighted Average Common Shares - Basic	46,527	41,463	37,371
Dilutive effect of share-based compensation awards	1,103	1,799	1,626
Weighted Average Common Shares - Diluted	47,630	43,262	38,997

Earnings per diluted share	\$ 0.39	\$ 0.69	\$ 0.63
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Annual Consolidated Reconciliations of Funds From Operations (FFO), Adjusted Funds From Operations (AFFO) and Earnings per diluted share, as adjusted
(Dollars and shares in thousands)

	December 31		
	2007	2006	2005
Net Income	\$ 34,784	\$ 49,227	\$ 39,031
Combined real estate related depreciation and other amortization	106,260	78,631	62,850
Depreciation and amortization of unconsolidated real estate entities	666	910	182
Depreciation and amortization allocable to minority interests in other consol. entities	(188)	(163)	(114)
Gain on sale of real estate properties, excluding redevelopment, net of income taxes	(3,827)	(17,644)	(4,422)
Funds From Operations (FFO)	\$ 137,695	\$ 110,961	\$ 97,527
Minority interest - common units, gross	3,682	7,276	5,889
Preferred share dividends	(16,068)	(15,404)	(14,615)
Issuance costs associated with redeemed preferred shares (1)	—	(3,896)	—
Funds From Operations (FFO) - Basic & Diluted	\$ 125,309	\$ 98,937	\$ 88,801
Straight line rent adjustments	(11,722)	(9,740)	(6,763)
Amortization of deferred market rental revenue	(1,985)	(1,904)	(426)
Issuance costs associated with redeemed preferred shares (1)	—	3,896	—
Recurring capital expenditures	(20,835)	(16,510)	(18,198)
Adjusted Funds From Operations (AFFO) - Diluted	\$ 90,767	\$ 74,679	\$ 63,414
Preferred dividends	\$ 16,068	\$ 15,404	\$ 14,615
Preferred distributions	660	660	660
Common distributions	10,682	9,996	9,222
Common dividends	61,331	49,670	40,755
Total Dividends/Distributions	\$ 88,741	\$ 75,730	\$ 65,252
Denominator for earnings per share - Diluted	47,630	43,262	38,997
Common units	8,296	8,511	8,702
Denominator for funds from operations per share - Diluted	55,926	51,773	47,699
Funds From Operations (FFO) - Diluted	\$ 125,309	\$ 98,937	\$ 88,801
Issuance costs associated with redeemed preferred shares (1)	—	3,896	—
FFO - Diluted, as adjusted for issuance costs associated with redeemed preferred shares	\$ 125,309	\$ 102,833	\$ 88,801
Numerator for Dilutive EPS Computation	\$ 18,716	\$ 29,927	\$ 24,416
Issuance costs associated with redeemed preferred shares (1)	—	3,896	—
Numerator for Dilutive EPS Computation, as adjusted	\$ 18,716	\$ 33,823	\$ 24,416
Earnings per diluted share, as adjusted for issuance costs associated with redeemed preferred shares	\$ 0.39	\$ 0.78	\$ 0.63

(1) Earnings per diluted share and FFO per diluted share have been adjusted to exclude the issuance costs associated with our Series E and F redeemed preferred shares.

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Annual Consolidated Reconciliation of Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA)
(Dollars and shares in thousands)

	December 31		
	2007	2006	2005
Net Income	\$ 34,784	\$ 49,227	\$ 39,031
Combined interest expense	83,282	72,420	57,145
Combined amortization of deferred financing costs	3,676	2,981	2,240
Combined income tax expense	1,684	887	699

Depreciation of furniture, fixtures and equipment	1,365	1,443	706
Combined real estate related depreciation and other amortization	106,260	78,631	62,850
Minority interest - preferred units	660	660	660
Minority interest - other consolidated entities	(122)	(136)	(85)
Minority interest - common units, gross	3,682	7,276	5,889
Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA)	\$ 235,271	\$ 213,389	\$ 169,135
Common dividends for Earnings Payout Ratio	\$ 61,331	\$ 49,670	\$ 40,755
Common distributions	10,682	9,996	9,222
Dividends and distributions for FFO and AFFO Payout Ratio	\$ 72,013	\$ 59,666	\$ 49,977
Total tenant improvements and incentives on operating properties	\$ 21,487	\$ 20,649	\$ 30,452
Total capital improvements on operating properties	11,230	11,779	9,782
Total leasing costs for operating properties	7,562	8,610	9,843
Less: Nonrecurring tenant improvements and incentives on operating properties	(12,192)	(13,862)	(21,505)
Less: Nonrecurring capital improvements on operating properties	(4,494)	(5,418)	(4,522)
Less: Nonrecurring leasing costs for operating properties	(2,856)	(6,388)	(6,040)
Add: Recurring improvements on operating properties held through joint ventures	98	1,140	188
Recurring capital expenditures	\$ 20,835	\$ 16,510	\$ 18,198
Discontinued Operations			
Revenues from real estate operations	\$ 2,570	\$ 12,214	\$ 15,550
Property operating expenses	(1,658)	(3,126)	(5,903)
Depreciation and amortization	(1,294)	(2,020)	(3,128)
Amortization of deferred financing costs	—	(134)	(11)
General and administrative	(5)	(1)	(1)
Income taxes	(44)	—	—
Interest	(1,250)	(2,160)	(3,238)
Gain on sales of real estate	3,871	17,031	4,324
Income from discontinued operations	2,190	21,804	7,593
Minority interests in discontinued operations	(345)	(3,817)	(1,497)
Income from discontinued operations, net of minority interests	\$ 1,845	\$ 17,987	\$ 6,096
Interest expense from continuing operations	\$ 82,032	\$ 70,260	\$ 53,906
Interest expense from discontinued operations	1,250	2,160	3,238
Combined interest expense	\$ 83,282	\$ 72,420	\$ 57,144
Amortization of deferred financing costs from continuing operations	\$ 3,676	\$ 2,847	\$ 2,229
Amortization of deferred financing costs from discontinued operations	—	134	11
Combined amortization of deferred financing costs	\$ 3,676	\$ 2,981	\$ 2,240
Depreciation and amortization	\$ 106,331	\$ 78,054	\$ 60,427
Depreciation of furniture, fixtures and equipment	(1,365)	(1,443)	(706)
Depreciation and amortization from discontinued operations	1,294	2,020	3,128
Combined real estate related depreciation and other amortization	\$ 106,260	\$ 78,631	\$ 62,849
Income tax expense from continuing operations	\$ 569	\$ 887	\$ 668
Income tax expense from gain on sales of discontinued operations	44	—	—
Income tax expense from gain on other sales of real estate	1,071	—	31
Combined income tax expense	\$ 1,684	\$ 887	\$ 699

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Quarterly Selected Financial Summary Data
(Dollars in thousands)

	2007				2006
	December 31	September 30	June 30	March 31	December 31
Revenues from Real Estate Operations	\$ 94,794	\$ 94,376	\$ 90,642	\$ 89,137	\$ 77,491
Total Revenues	\$ 103,292	\$ 105,333	\$ 102,335	\$ 99,214	\$ 92,335
Combined Net Operating Income	\$ 63,739	\$ 62,593	\$ 61,876	\$ 58,371	\$ 55,636
EBITDA	\$ 61,255	\$ 61,783	\$ 58,381	\$ 53,852	\$ 51,095
Net Income	\$ 9,929	\$ 11,431	\$ 7,877	\$ 5,547	\$ 9,587
Preferred Share dividends	(4,025)	(4,025)	(4,025)	(3,993)	(3,790)
Issuance costs associated with redeemed preferred shares	—	—	—	—	(2,067)
Net Income Available to Common Shareholders	\$ 5,904	\$ 7,406	\$ 3,852	\$ 1,554	\$ 3,730
Earnings per diluted share	\$ 0.12	\$ 0.15	\$ 0.08	\$ 0.03	\$ 0.08
Earnings per diluted share, as adjusted for issuance costs associated with redeemed preferred shares	\$ 0.12	\$ 0.15	\$ 0.08	\$ 0.03	\$ 0.13
Funds From Operations (FFO) - Diluted	\$ 32,832	\$ 32,352	\$ 31,837	\$ 28,288	\$ 25,077

FFO per diluted share	\$	0.59	\$	0.58	\$	0.57	\$	0.51	\$	0.48
FFO per diluted share, as adjusted for issuance costs associated with redeemed preferred shares	\$	0.59	\$	0.58	\$	0.57	\$	0.51	\$	0.52
Adjusted FFO - Diluted	\$	23,232	\$	23,856	\$	21,614	\$	22,065	\$	17,695
Payout Ratios:										
Earnings Payout		272.6%		217.3%		379.4%		934.9%		356.4%
FFO - Diluted		57.5%		58.3%		54.0%		60.4%		63.5%
AFFO - Diluted		81.2%		79.1%		79.5%		77.4%		89.9%
Total Dividends/Distributions	\$	23,064	\$	23,059	\$	21,377	\$	21,241	\$	19,869

Note: The above presentation does not separately report discontinued operations.

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Quarterly Consolidated Balance Sheets
(Dollars in thousands except per share data)

	2007				2006
	December 31	September 30	June 30	March 31	December 31
Assets					
Investment in real estate:					
Land - operational	\$ 416,711	\$ 415,061	\$ 414,870	\$ 412,791	\$ 343,098
Land - development	214,696	218,890	205,887	193,715	153,436
Construction in progress	181,316	193,081	163,810	185,579	144,991
Buildings and improvements	2,079,136	2,028,493	1,995,254	1,918,742	1,689,359
Less: accumulated depreciation	(288,387)	(270,580)	(255,248)	(236,650)	(219,574)
Net investment in real estate	2,603,472	2,584,945	2,524,573	2,474,177	2,111,310
Cash and cash equivalents	24,638	21,895	15,123	22,003	7,923
Restricted cash	15,121	16,874	20,482	19,030	52,856
Accounts receivable, net	24,831	20,680	18,826	24,478	26,367
Deferred rent receivable	53,631	50,891	47,579	44,294	41,643
Deferred charges, net	49,051	46,019	47,292	45,496	43,710
Intangible assets on real estate acquisitions, net	108,661	116,368	123,861	131,934	87,325
Prepaid and other assets	52,448	58,351	56,993	53,311	48,467
Total assets	\$ 2,931,853	\$ 2,916,023	\$ 2,854,729	\$ 2,814,723	\$ 2,419,601
Liabilities and shareholders' equity					
Liabilities:					
Mortgage and other loans payable	\$ 1,625,842	\$ 1,599,912	\$ 1,552,478	\$ 1,515,183	\$ 1,298,537
3.5% Exchangeable Senior Notes	200,000	200,000	200,000	200,000	200,000
Accounts payable and accrued expenses	75,363	80,022	61,531	61,131	68,190
Rents received in advance and security deposits	30,978	24,916	26,547	25,127	20,237
Deferred revenue associated with acquired operating leases	11,530	12,475	13,522	14,607	11,120
Distributions in excess of investment in unconsolidated real estate joint ventures	4,246	4,124	3,852	3,797	3,614
Dividends and distributions payable	22,441	22,433	20,754	20,687	19,164
Other liabilities	8,716	7,766	7,525	8,951	8,249
Total liabilities	1,979,116	1,951,648	1,886,209	1,849,483	1,629,111
Minority interests:					
Preferred units in the Operating Partnership	8,800	8,800	8,800	8,800	8,800
Common units in the Operating Partnership	114,127	115,837	119,297	118,614	104,934
Other consolidated real estate joint ventures	7,168	6,970	2,654	2,408	2,453
Total minority interests	130,095	131,607	130,751	129,822	116,187
Commitments and contingencies	—	—	—	—	—
Shareholders' equity:					
Preferred Shares (\$0.01 par value; 15,000,000 authorized)	81	81	81	81	76
Common Shares of beneficial interest (\$0.01 par value; 75,000,000 authorized, 47,366,475 shares issued as of December 31, 2007)	474	473	472	469	429
Additional paid-in capital	950,615	949,392	944,818	932,287	758,032
Cumulative distributions in excess of net income	(126,156)	(115,963)	(107,277)	(96,516)	(83,541)
Accumulated other comprehensive loss	(2,372)	(1,215)	(325)	(903)	(693)
Total shareholders' equity	822,642	832,768	837,769	835,418	674,303
Total shareholders' equity and minority interests	952,737	964,375	968,520	965,240	790,490
Total liabilities and shareholders' equity	\$ 2,931,853	\$ 2,916,023	\$ 2,854,729	\$ 2,814,723	\$ 2,419,601

Note: The above presentation does not separately report discontinued operations.

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Quarterly Consolidated Statements of Operations
(Dollars and units in thousands)

	2007				2006
	December 31	September 30	June 30	March 31	December 31
Revenues					
Rental revenue	\$ 81,269	\$ 80,261	\$ 78,560	\$ 75,498	\$ 66,614
Tenant recoveries and other real estate operations revenue	13,525	14,115	12,082	13,639	10,877
Construction contract revenues	7,716	10,047	10,620	8,691	12,263
Other service operations revenues	782	910	1,073	1,386	2,581
Total Revenues	103,292	105,333	102,335	99,214	92,335
Expenses					
Property operating expenses	31,133	31,614	28,973	31,562	25,447
Depreciation and amortization associated with real estate operations	26,312	26,431	27,243	26,345	19,916
Construction contract expenses	7,597	9,507	10,136	8,483	11,827
Other service operations expenses	733	806	1,126	1,405	2,393
General and administrative expenses	5,402	5,422	5,085	4,614	5,042
Total Operating Expenses	71,177	73,780	72,563	72,409	64,625
Operating Income	32,115	31,553	29,772	26,805	27,710
Interest expense	(20,771)	(21,000)	(20,460)	(19,801)	(18,625)
Amortization of deferred financing costs	(970)	(901)	(921)	(884)	(949)
Gain on sales of non-real estate investments	—	—	1,033	—	—
Income from continuing operations before equity in loss of unconsolidated entities, income taxes and minority interests					
	10,374	9,652	9,424	6,120	8,136
Equity in loss of unconsolidated entities	(27)	(46)	(57)	(94)	(52)
Income tax expense	(89)	(197)	(178)	(105)	(264)
Income from continuing operations before minority interests	10,258	9,409	9,189	5,921	7,820
Minority interest in income from continuing operations					
Common units in the Operating Partnership	(925)	(808)	(828)	(299)	(672)
Preferred units in the Operating Partnership	(165)	(165)	(165)	(165)	(165)
Other consolidated entities	32	12	31	47	40
Income from continuing operations	9,200	8,448	8,227	5,504	7,023
Income (loss) from discontinued operations, net of minority interests	368	1,945	(511)	43	2,564
Income before gain on sales of real estate	9,568	10,393	7,716	5,547	9,587
Gain on sales of real estate, net of income taxes and minority interests	361	1,038	161	—	—
Net Income	9,929	11,431	7,877	5,547	9,587
Preferred share dividends	(4,025)	(4,025)	(4,025)	(3,993)	(3,790)
Issuance costs associated with redeemed preferred shares	—	—	—	—	(2,067)
Net Income Available to Common Shareholders	\$ 5,904	\$ 7,406	\$ 3,852	\$ 1,554	\$ 3,730
For EPS Computations:					
Numerator for Dilutive EPS	\$ 5,904	\$ 7,406	\$ 3,852	\$ 1,554	\$ 3,730
Denominator:					
Weighted Average Common Shares - Basic	46,947	46,781	46,686	45,678	42,439
Dilutive effect of share-based compensation awards	914	1,005	1,105	1,465	1,641
Weighted Average Common Shares - Diluted	47,861	47,786	47,791	47,143	44,080
Earnings per diluted share	\$ 0.12	\$ 0.15	\$ 0.08	\$ 0.03	\$ 0.08

Quarterly Consolidated Reconciliations of Funds From Operations (FFO), Adjusted Funds From Operations (AFFO) and Earnings per diluted share, as adjusted
(Dollars in thousands)

	2007				2006
	December 31	September 30	June 30	March 31	December 31
Net Income	\$ 9,929	\$ 11,431	\$ 7,877	\$ 5,547	\$ 9,587
Combined real estate related depreciation and other amortization	26,607	26,266	27,087	26,300	19,768
Depreciation and amortization of unconsolidated real estate entities	163	166	169	168	345
Depreciation and amortization allocable to minority interests in other consol. entities	(51)	(48)	(47)	(42)	(41)
(Gain) loss on sales of real estate properties, excluding development, net of income taxes	(1,049)	(2,789)	11	—	71

Funds From Operations (FFO)	35,599	35,026	35,097	31,973	29,730
Minority interest - common units, gross	1,258	1,351	765	308	1,204
Preferred share dividends	(4,025)	(4,025)	(4,025)	(3,993)	(3,790)
Issuance costs associated with redeemed preferred shares (1)	—	—	—	—	(2,067)
Funds From Operations (FFO) - Basic & Diluted	32,832	32,352	31,837	28,288	25,077
Straight line rent adjustments	(2,680)	(3,247)	(3,224)	(2,571)	(2,484)
Amortization of deferred market rental revenue	(416)	(585)	(473)	(511)	(578)
Issuance costs associated with redeemed preferred shares (1)	—	—	—	—	2,067
Recurring capital expenditures	(6,504)	(4,664)	(6,526)	(3,141)	(6,387)
Adjusted Funds From Operations (AFFO) - Diluted	\$ 23,232	\$ 23,856	\$ 21,614	\$ 22,065	\$ 17,695
Preferred dividends	\$ 4,025	\$ 4,025	\$ 4,025	\$ 3,993	\$ 3,790
Preferred distributions	165	165	165	165	165
Common distributions	2,777	2,777	2,574	2,554	2,622
Common dividends	16,097	16,092	14,613	14,529	13,292
Total Dividends/Distributions	\$ 23,064	\$ 23,059	\$ 21,377	\$ 21,241	\$ 19,869
Denominator for earnings per share - Diluted	47,861	47,786	47,791	47,143	44,080
Common units	8,167	8,297	8,313	8,411	8,495
Denominator for funds from operations per share - Diluted	56,028	56,083	56,104	55,554	52,575
Funds From Operations (FFO) - Diluted	\$ 32,832	\$ 32,352	\$ 31,837	\$ 28,288	\$ 25,077
Issuance costs associated with redeemed preferred shares (1)	—	—	—	—	2,067
FFO - Diluted , as adjusted for issuance costs associated with redeemed preferred shares	\$ 32,832	\$ 32,352	\$ 31,837	\$ 28,288	\$ 27,144
Numerator for Dilutive EPS Computation	\$ 5,904	\$ 7,406	\$ 3,852	\$ 1,554	\$ 3,730
Issuance costs associated with redeemed preferred shares (1)	—	—	—	—	2,067
Numerator for Dilutive EPS Computation, as adjusted	\$ 5,904	\$ 7,406	\$ 3,852	\$ 1,554	\$ 5,797
Earnings per diluted share, as adjusted for issuance costs associated with redeemed preferred shares	\$ 0.12	\$ 0.15	\$ 0.08	\$ 0.03	\$ 0.13

(1) Earnings per diluted share and FFO per diluted share have been adjusted to exclude the issuance costs associated with our Series F redeemed preferred shares.

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**Quarterly Consolidated Reconciliations of Earnings Before Interest, Income Taxes, Depreciation and Amortization EBITDA),
Combined Net Operating Income (NOI), Discontinued Operations and Gains on Sales of Real Estate
(Dollars in thousands)**

	2007				2006
	December 31	September 30	June 30	March 31	December 31
Net Income	\$ 9,929	\$ 11,431	\$ 7,877	\$ 5,547	\$ 9,587
Combined interest expense	20,799	21,145	21,074	20,264	18,885
Combined amortization of deferred financing costs	970	901	921	884	949
Combined income tax expense	1,201	197	181	105	264
Depreciation of furniture, fixtures and equipment	358	339	342	326	313
Combined real estate related depreciation and other amortization	26,607	26,266	27,087	26,300	19,768
Minority interest - preferred units	165	165	165	165	165
Minority interest - other consolidated entities	(32)	(12)	(31)	(47)	(40)
Minority interest - common units, gross	1,258	1,351	765	308	1,204
Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA)	\$ 61,255	\$ 61,783	\$ 58,381	\$ 53,852	\$ 51,095
Add back:					
General and administrative	5,405	5,424	5,085	4,614	5,042
Income from service operations	(168)	(644)	(431)	(189)	(624)
(Gain) loss on sales of depreciated real estate properties	(1,093)	(2,789)	11	—	71
Gain on sale of non-real estate investments	—	—	(1,033)	—	—
Non-operational property sales and real estate services	(1,687)	(1,227)	(194)	—	—
Equity in loss of unconsolidated entities	27	46	57	94	52
Combined Net Operating Income (NOI)	\$ 63,739	\$ 62,593	\$ 61,876	\$ 58,371	\$ 55,636
Discontinued Operations					
Revenues from real estate operations	\$ 322	\$ 462	\$ 528	\$ 1,258	\$ 3,986
Property operating expenses	(244)	(631)	(321)	(462)	(394)
Depreciation and amortization	(653)	(174)	(186)	(281)	(165)
General and administrative	(3)	(2)	—	—	—
Income taxes	(44)	—	—	—	—
Interest	(28)	(145)	(614)	(463)	(260)
Gain (loss) on sales of depreciated real estate properties	1,093	2,789	(11)	—	(71)
Income (loss) from discontinued operations	443	2,299	(604)	52	3,096
Minority interests in discontinued operations	(75)	(354)	93	(9)	(532)

Income (loss) from discontinued operations, net of minority interests	\$ 368	\$ 1,945	\$ (511)	\$ 43	\$ 2,564
Gain on sales of real estate, net, per statements of operations	\$ 361	\$ 1,038	\$ 161	\$ —	\$ —
Add income taxes and minority interest	1,326	189	33	—	—
Gain (loss) on sales of real estate from discontinued operations	1,093	2,789	(11)	—	(71)
Combined gain (loss) on sales of real estate	2,780	4,016	183	—	(71)
Non-operational property sales and real estate services	(1,687)	(1,227)	(194)	—	—
Gain (loss) on sales of depreciated real estate properties	\$ 1,093	\$ 2,789	\$ (11)	\$ —	\$ (71)

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Quarterly Equity Analysis
(Amounts in thousands except per share data, share prices and ratios)

	2007				2006
	December 31	September 30	June 30	March 31	December 31
Common Equity - End of Quarter					
Common Shares	47,366	47,345	47,155	46,880	42,898
Common Units	8,167	8,168	8,319	8,237	8,459
Total	55,533	55,513	55,474	55,117	51,357
End of Quarter Common Share Price	\$ 31.50	\$ 41.63	\$ 41.01	\$ 45.68	\$ 50.47
Market Value of Common Shares/Units	\$ 1,749,290	\$ 2,310,995	\$ 2,274,978	\$ 2,517,745	\$ 2,591,988
Common Shares Trading Volume					
Average Daily Volume (Shares)	482	446	464	416	353
Average Daily Volume (Dollars in thousands)	\$ 17,714	\$ 18,121	\$ 20,650	\$ 20,933	\$ 17,019
As a Percentage of Weighted Average Common Shares	1.0%	1.0%	1.0%	0.9%	0.8%
Common Share Price Range					
Quarterly High	\$ 45.39	\$ 44.63	\$ 48.81	\$ 56.45	\$ 51.45
Quarterly Low	\$ 30.81	\$ 35.21	\$ 40.47	\$ 44.85	\$ 44.21
Quarterly Average	\$ 36.75	\$ 40.66	\$ 44.48	\$ 50.27	\$ 48.23
Convertible Preferred Equity - End of Quarter					
Convertible Series I Preferred Units Outstanding	352	352	352	352	352
Conversion Ratio	0.5000	0.5000	0.5000	0.5000	0.5000
Common Shares Issued Assuming Conversion	176	176	176	176	176
Convertible Series K Preferred Shares Outstanding(1)	532	532	532	532	—
Conversion Ratio	0.8163	0.8163	0.8163	0.8163	—
Common Shares Issued Assuming Conversion	434	434	434	434	—
Nonconvertible Preferred Equity - End of Quarter					
Redeemable Series G Shares Outstanding	2,200	2,200	2,200	2,200	2,200
Redeemable Series H Shares Outstanding	2,000	2,000	2,000	2,000	2,000
Redeemable Series J Shares Outstanding	3,390	3,390	3,390	3,390	3,390
Total Nonconvertible Preferred Equity	7,590	7,590	7,590	7,590	7,590
Total Convertible Preferred Equity	884	884	884	884	352
Total Preferred Equity	8,474	8,474	8,474	8,474	7,942
Nonconvertible Preferred Equity (\$25 par value)					
Redeemable Series G Shares	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000
Redeemable Series H Shares	50,000	50,000	50,000	50,000	50,000
Redeemable Series J Shares	84,750	84,750	84,750	84,750	84,750
Total Nonconvertible Preferred Equity	\$ 189,750	\$ 189,750	\$ 189,750	\$ 189,750	\$ 189,750
Convertible Preferred Equity (\$25 par value)					
Convertible Series I Units	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800
Convertible Preferred Equity (\$50 par value)					
Convertible Series K Shares	26,583	26,583	26,583	26,583	—
Total Convertible Preferred Equity	\$ 35,383	\$ 35,383	\$ 35,383	\$ 35,383	\$ 8,800
Total Recorded Book Value of Preferred Equity	\$ 225,133	\$ 225,133	\$ 225,133	\$ 225,133	\$ 198,550
Weighted Average Shares:					
Common Shares Outstanding	46,947	46,781	46,686	45,678	42,439
Dilutive effect of share-based compensation awards	914	1,005	1,105	1,465	1,641
Common Units	8,167	8,297	8,313	8,411	8,495
Denominator for funds from operations per share - diluted	56,028	56,083	56,104	55,554	52,575
Capitalization					
Recorded Book Value of Preferred Shares/Units	\$ 225,133	\$ 225,133	\$ 225,133	\$ 225,133	\$ 198,550
Market Value of Common Shares/Units	1,749,290	2,310,995	2,274,978	2,517,745	2,591,988
Total Equity Market Capitalization	\$ 1,974,423	\$ 2,536,128	\$ 2,500,111	\$ 2,742,878	\$ 2,790,538
Total Debt	\$ 1,825,842	\$ 1,799,912	\$ 1,752,478	\$ 1,715,183	\$ 1,498,537
Total Market Capitalization	\$ 3,800,265	\$ 4,336,040	\$ 4,252,589	\$ 4,458,061	\$ 4,289,075
Debt to Total Market Capitalization	48.0%	41.5%	41.2%	38.5%	34.9%

Debt to Total Assets	62.3%	61.7%	61.4%	60.9%	61.9%
Debt to Undepreciated Book Value of Real Estate Assets	60.9%	60.6%	60.4%	60.3%	62.0%

(1) We issued 531,667 Series K Cumulative Redeemable Preferred Shares with a \$50.00 per share liquidation preference on January 9, 2007.

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Quarterly Debt Analysis
(Dollars in thousands)

	2007				2006
	December 31	September 30	June 30	March 31	December 31
Debt Outstanding					
Mortgage Loans	\$ 1,160,753	\$ 1,169,094	\$ 1,196,512	\$ 1,174,859	\$ 1,057,458
Construction Loans	104,089	103,818	88,966	76,324	56,079
Unsecured Revolving Credit Facility	361,000	327,000	267,000	264,000	185,000
Exchangeable Senior Notes	200,000	200,000	200,000	200,000	200,000
	<u>\$ 1,825,842</u>	<u>\$ 1,799,912</u>	<u>\$ 1,752,478</u>	<u>\$ 1,715,183</u>	<u>\$ 1,498,537</u>
Average Outstanding Balance					
Mortgage Loans	\$ 1,163,419	\$ 1,172,087	\$ 1,184,784	\$ 1,167,459	\$ 918,938
Construction Loans	104,084	95,025	85,624	60,559	51,412
Unsecured Revolving Credit Facility	352,043	312,792	276,350	254,419	306,556
Exchangeable Senior Notes (1)	200,000	200,000	200,000	200,000	200,000
	<u>\$ 1,819,546</u>	<u>\$ 1,779,904</u>	<u>\$ 1,746,758</u>	<u>\$ 1,682,437</u>	<u>\$ 1,476,906</u>
Interest Rate Structure					
Fixed-Mortgage Loans	\$ 1,126,253	\$ 1,134,594	\$ 1,162,012	\$ 1,051,243	\$ 1,022,958
Fixed-Exchangeable Senior Notes	200,000	200,000	200,000	200,000	200,000
Variable	349,589	365,318	290,466	363,940	175,579
Variable Subject to Interest Rate Protection (2) (3) (4)	150,000	100,000	100,000	100,000	100,000
	<u>\$ 1,825,842</u>	<u>\$ 1,799,912</u>	<u>\$ 1,752,478</u>	<u>\$ 1,715,183</u>	<u>\$ 1,498,537</u>
% of Fixed Rate Loans (5)	80.85%	79.70%	83.43%	78.78%	88.28%
% of Variable Rate Loans (2) (3)	19.15%	20.30%	16.57%	21.22%	11.72%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Average Contract Interest Rates					
Mortgage & Construction Loans	5.96%	6.01%	6.08%	6.12%	6.18%
Unsecured Revolving Credit Facility	5.79%	6.72%	6.62%	6.66%	6.77%
Exchangeable Senior Notes	3.50%	3.50%	3.50%	3.50%	3.50%
Total Weighted Average	5.74%	5.89%	5.89%	5.83%	5.99%

Coverage Ratios (excluding capitalized interest) – All coverage computations include the effect of discontinued operations

	2007				2006
	December 31	September 30	June 30	March 31	December 31
Interest Coverage - Combined NOI	3.06x	2.96x	2.94x	2.88x	2.95x
Interest Coverage - EBITDA	2.95x	2.92x	2.77x	2.66x	2.71x
Debt Service Coverage - Combined NOI	2.51x	2.50x	2.50x	2.09x	2.45x
Debt Service Coverage - EBITDA	2.41x	2.46x	2.36x	1.93x	2.25x
Fixed Charge Coverage - Combined NOI	2.55x	2.47x	2.45x	2.39x	2.44x
Fixed Charge Coverage - EBITDA	2.45x	2.44x	2.31x	2.21x	2.24x

- (1) On September 18, 2006, we issued \$200.0 million in exchangeable senior notes. The notes bear interest at a fixed interest rate of 3.5%, with interest payable semi-annually beginning March 15, 2007, and mature in September 2026.
- (2) On March 28, 2006, we entered into a \$50.0 million notional amount swap at a fixed one-month LIBOR rate of 5.036%, which commenced on the same day and expires March 30, 2009.
- (3) On April 27, 2006, we entered into two notional amount swaps aggregating \$50.0 million at a fixed one-month LIBOR rate of 5.232%, which commenced May 1, 2006 and expire May 1, 2009.
- (4) On October 23, 2007, we entered into a \$50.0 million notional amount swap at a fixed one-month LIBOR rate of 4.330%, which commenced on the same day and expires October 23, 2009.
- (5) Includes interest rate protection agreements.

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Quarterly Operating Ratios
(Dollars in thousands except per share data and ratios)

	2007				2006
	December 31	September 30	June 30	March 31	December 31
OPERATING RATIOS — All computations include the effect of discontinued operations					
Net Income as a % of Combined Real Estate Revenues (Net Income / Combined Real Estate Revenues)	10.44%	12.05%	8.64%	6.14%	11.77%

Combined NOI as a % of Combined Real Estate Revenues (Combined NOI / Combined Real Estate Revenues)	67.01%	66.00%	67.87%	64.57%	68.28%
EBITDA as a % of Combined Real Estate Revenues (EBITDA / Combined Real Estate Revenues)	64.40%	65.15%	64.04%	59.57%	62.71%
G&A as a % of Net Income (G&A / Net Income)	54.41%	47.43%	64.56%	83.18%	52.59%
G&A as a % of Combined Real Estate Revenues (G&A / Combined Real Estate Revenues)	5.68%	5.72%	5.58%	5.10%	6.19%
G&A as a % of EBITDA (G&A / EBITDA)	8.82%	8.78%	8.71%	8.57%	9.87%
Recurring Capital Expenditures	\$ 6,504	\$ 4,664	\$ 6,526	\$ 3,141	\$ 6,387
Recurring Capital Expenditures per average square foot of wholly owned properties	\$ 0.37	\$ 0.26	\$ 0.37	\$ 0.19	\$ 0.43
Recurring Capital Expenditures as a % of NOI (Combined NOI)	10.20%	7.45%	10.55%	5.38%	11.48%

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Quarterly Dividend Analysis

	2007					2006
	December 31	September 30	June 30	March 31	December 31	
Common Share Dividends						
Dividends per share/unit	\$ 0.340	\$ 0.340	\$ 0.310	\$ 0.310	\$ 0.310	
Increase over prior quarter	0.0%	9.7%	0.0%	0.0%	0.0%	
Common Dividend Payout Ratios						
Payout - Earnings	272.6%	217.3%	379.4%	934.9%	356.4%	
Payout - FFO - Diluted	57.5%	58.3%	54.0%	60.4%	63.5%	
Payout - AFFO - Diluted	81.2%	79.1%	79.5%	77.4%	89.9%	
Dividend Coverage - FFO - Diluted	1.74x	1.71x	1.85x	1.66x	1.58x	
Dividend Coverage - AFFO - Diluted	1.23x	1.26x	1.26x	1.29x	1.11x	
Common Dividend Yields						
Dividend Yield	4.32%	3.27%	3.02%	2.71%	2.46%	
Series I Preferred Unit Distributions						
Preferred Unit Distributions Per Unit	\$ 0.46875	\$ 0.46875	\$ 0.46875	\$ 0.46875	\$ 0.46875	
Preferred Unit Distributions Yield	7.500%	7.500%	7.500%	7.500%	7.500%	
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	
Series F Preferred Share Dividends (1)						
Preferred Share Dividends Per Share	n/a	n/a	n/a	n/a	\$ 0.09601	
Preferred Share Dividend Yield	n/a	n/a	n/a	n/a	9.875%	
Quarter End Recorded Book Value	n/a	n/a	n/a	n/a	\$ 25.00	
Series G Preferred Share Dividends						
Preferred Share Dividends Per Share	\$ 0.50000	\$ 0.50000	\$ 0.50000	\$ 0.50000	\$ 0.50000	
Preferred Share Dividend Yield	8.000%	8.000%	8.000%	8.000%	8.000%	
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	
Series H Preferred Share Dividends						
Preferred Share Dividends Per Share	\$ 0.46875	\$ 0.46875	\$ 0.46875	\$ 0.46875	\$ 0.46875	
Preferred Share Dividend Yield	7.500%	7.500%	7.500%	7.500%	7.500%	
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	
Series J Preferred Share Dividends (2)						
Preferred Share Dividends Per Share	\$ 0.47656	\$ 0.47656	\$ 0.47656	\$ 0.47656	\$ 0.47656	
Preferred Share Dividend Yield	7.625%	7.625%	7.625%	7.625%	7.625%	
Quarter End Recorded Book Value	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	
Series K Preferred Share Dividends (3)						
Preferred Share Dividends Per Share	\$ 0.70000	\$ 0.70000	\$ 0.70000	\$ 0.63770	n/a	
Preferred Share Dividend Yield	5.600%	5.600%	5.600%	5.600%	n/a	
Quarter End Recorded Book Value	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	n/a	

(1) We redeemed all of the outstanding Series F Preferred Shares on October 15, 2006 for \$35,625,000, or \$25.00 per share. A prorated dividend of \$0.09601 was recognized in the fourth quarter of 2006.

(2) We issued 3,390,000 Series J Cumulative Redeemable Preferred Shares with a \$25.00 per share liquidation preference on July 20, 2006 and paid a prorated dividend of \$0.4501 on October 15, 2006, \$0.37598 of which was recognized in the third quarter of 2006.

(3) We issued 531,667 Series K Cumulative Redeemable Preferred Shares with a \$50.00 per share liquidation preference on January 9, 2007 and paid a dividend of \$0.7466 on April 15, 2007, \$0.6377 of which was recognized in the first quarter of 2007.

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**Investor Composition and Analyst Coverage
(as of December 31, 2007)**

SHAREHOLDER CLASSIFICATION	Common Shares	Common Units	As if Converted Preferred Shares / Units	Total	Fully Diluted Ownership % of Total
Insiders	858,607	7,047,153	—	7,905,760	14.08 %
Non-insiders	46,507,868	1,119,383	610,000	48,237,251	85.92 %
	<u>47,366,475</u>	<u>8,166,536</u>	<u>610,000</u>	<u>56,143,011</u>	<u>100.00 %</u>

RESEARCH COVERAGE	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007	December 31, 2006
A.G. Edwards	n/a	x	x	x	x
BMO Capital Markets	x	x	x	x	x
Citigroup Global Markets	x	x	x	x	x
Ferris, Baker Watts, Incorporated	x	x	x	x	x
Friedman Billings Ramsey & Co.	x	x	x	x	x
Green Street Advisors	x	x	n/a	n/a	n/a
Merrill Lynch	x	x	x	x	n/a
RBC Capital Markets	x	x	x	x	x
Raymond James	x	x	x	x	x
Robert W. Baird & Co. Incorporated	x	x	x	x	x
Stifel, Nicolaus & Company, Incorporated	x	x	x	x	x
Wachovia Securities	x	x	x	x	x

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**Debt Maturity Schedule - December 31, 2007
(Dollars in thousands)**

Year of Maturity	Non-Recourse Debt (1)			Recourse Debt (1)				Total Scheduled Payments
	Annual Amortization of Monthly Payments	Due on Maturity	Weighted Average Interest Rate of Amounts Maturing (2)	Annual Amortization of Monthly Payments	Due on Maturity	Weighted Average Interest Rate of Amounts Maturing (2)	Revolver	
January - March	\$ 3,639	\$ —	0.00%	\$ 181	\$ 750	5.95%	\$ —	\$ 4,570
April - June	3,384	53,487	7.69%	182	84,589	6.44%	—	141,642
July - September	3,238	22,557	6.93%	185	54,000	6.60%	—	79,980
October - December	2,877	66,860	6.89%	191	1,000	6.82%	—	70,928
Total 2008	<u>\$ 13,138</u>	<u>\$ 142,904</u>	<u>7.20%</u>	<u>\$ 739</u>	<u>\$ 140,339</u>	<u>6.46%</u>	<u>\$ —</u>	<u>\$ 297,120</u>
2009	\$ 9,620	\$ 52,228		\$ 795	\$ —		\$ —	\$ 62,643
2010 (3)	9,103	52,177		272	12,481		—	74,033
2011	7,309	102,264		241	—		361,000	470,814
2012	5,816	36,123		260	—		—	42,199
2013	2,593	134,843		282	—		—	137,718
2014 (4)	890	8,212		305	—		—	9,407
2015	552	114,559		329	—		—	115,440
2016	321	113,169		356	—		—	113,846
2017	193	300,610		385	—		—	301,188
2018	—	—		417	—		—	417
2019	—	—		373	39		—	412
	<u>\$ 49,535</u>	<u>\$ 1,057,089</u>		<u>\$ 4,754</u>	<u>\$ 152,859</u>		<u>\$ 361,000</u>	<u>\$ 1,625,237</u>
								605
								<u>\$ 1,625,842</u>
								<u>\$ 200,000</u>
								<u>\$ 1,825,842</u>

Notes:

- (1) Certain mortgages contain extension options, generally either for a period of six months or one year, subject to certain conditions. The maturity dates presented above in the table assume that the extension options have not been exercised.
- (2) For the variable rate loans expiring in 2008, the interest rate used for this calculation was the rate at December 31, 2007.
- (3) Our \$9.2 million non-recourse loan that matures in September 2025 will be called in October 2010. The above table includes the \$8.5 million amount due on maturity in 2010.
- (4) We assumed that our \$4.8 million non-recourse loan that matures in March 2034 may be prepaid in the three-month period ending March 2014 without penalty. The above table includes the \$4.3 million amount due on maturity in 2014.
- (4) Exchangeable Senior Notes mature in September 2026 but are subject to a put by the holders in September 2011 and every five years thereafter.

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**Property Summary by Region - December 31, 2007
Wholly Owned Properties**

Operating Property Count	Office Properties	Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
Baltimore /Washington Corridor							
1	2730 Hercules Road	BWI Airport	NBP	1990	M	240,336	
2	304 Sentinel Drive (304 NBP)	BWI Airport	NBP	2005	M	162,498	
3	306 Sentinel Drive (306 NBP)	BWI Airport	NBP	2006	M	157,896	
4	302 Sentinel Drive (302 NBP)	BWI Airport	NBP	2007	M	48,377	108,769
5	2720 Technology Drive (220 NBP)	BWI Airport	NBP	2004	M	156,730	
6	2711 Technology Drive (211 NBP)	BWI Airport	NBP	2002	M	152,000	
7	320 Sentinel Way (320 NBP)	BWI Airport	NBP	2007	M	125,681	
8	318 Sentinel Way (318 NBP)	BWI Airport	NBP	2005	M	125,681	
9	322 Sentinel Way (322 NBP)	BWI Airport	NBP	2006	M	125,568	
10	140 National Business Parkway	BWI Airport	NBP	2003	M	119,904	
11	132 National Business Parkway	BWI Airport	NBP	2000	M	118,598	
12	2721 Technology Drive (221 NBP)	BWI Airport	NBP	2000	M	118,093	
13	2701 Technology Drive (201 NBP)	BWI Airport	NBP	2001	M	117,450	
14	2691 Technology Drive (191 NBP)	BWI Airport	NBP	2005	M	103,683	
15	134 National Business Parkway	BWI Airport	NBP	1999	M	93,482	
16	135 National Business Parkway	BWI Airport	NBP	1998	M	87,655	
17	133 National Business Parkway	BWI Airport	NBP	1997	M	87,401	
18	141 National Business Parkway	BWI Airport	NBP	1990	M	87,247	
19	131 National Business Parkway	BWI Airport	NBP	1990	M	69,039	
20	114 National Business Parkway	BWI Airport	NBP	2002	S	9,908	
						2,307,227	108,769
1	1306 Concourse Drive	BWI Airport	APS	1990	M	114,046	
2	870-880 Elkridge Landing Road	BWI Airport	APS	1981	M	105,151	
3	1304 Concourse Drive	BWI Airport	APS	2002	M	101,710	
4	900 Elkridge Landing Road	BWI Airport	APS	1982	M	97,261	
5	1199 Winterson Road	BWI Airport	APS	1988	M	96,636	
6	920 Elkridge Landing Road	BWI Airport	APS	1982	M	96,566	
7	1302 Concourse Drive	BWI Airport	APS	1996	M	84,406	
8	881 Elkridge Landing Road	BWI Airport	APS	1986	M	73,572	
9	1099 Winterson Road	BWI Airport	APS	1988	M	70,569	
10	1190 Winterson Road	BWI Airport	APS	1987	M	69,127	
11	849 International Drive	BWI Airport	APS	1988	M	68,758	
12	911 Elkridge Landing Road	BWI Airport	APS	1985	M	68,296	
13	1201 Winterson Road	BWI Airport	APS	1985	M	67,903	
14	999 Corporate Boulevard	BWI Airport	APS	2000	M	67,455	
15	891 Elkridge Landing Road	BWI Airport	APS	1984	M	58,454	
16	901 Elkridge Landing Road	BWI Airport	APS	1984	M	57,593	
17	930 International Drive	BWI Airport	APS	1986	S	57,409	
18	800 International Drive	BWI Airport	APS	1988	S	57,379	
19	900 International Drive	BWI Airport	APS	1986	S	57,140	
20	921 Elkridge Landing Road	BWI Airport	APS	1983	M	54,175	
21	939 Elkridge Landing Road	BWI Airport	APS	1983	M	53,031	
22	938 Elkridge Landing Road	BWI Airport	APS	1984	M	52,988	
						1,629,625	—
1	7467 Ridge Road	BWI Airport	Comm./Pkwy.	1990	M	74,326	
2	7240 Parkway Drive	BWI Airport	Comm./Pkwy.	1985	M	73,970	
3	7272 Park Circle Drive	BWI Airport	Comm./Pkwy.	1991/1996	M	59,397	
4	7318 Parkway Drive	BWI Airport	Comm./Pkwy.	1984	S	59,204	
5	7320 Parkway Drive	BWI Airport	Comm./Pkwy.	1983	S	58,453	
6	1340 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	46,400	
	1362 Mellon Road	BWI Airport	Comm./Pkwy.	2006	M		44,134
7	1334 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	37,565	
8	1331 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	29,153	
9	1350 Dorsey Road	BWI Airport	Comm./Pkwy.	1989	S	19,992	
10	1344 Ashton Road	BWI Airport	Comm./Pkwy.	1989	M	17,062	
11	1341 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	15,841	
12	1343 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	9,962	
13	1348 Ashton Road	BWI Airport	Comm./Pkwy.	1988	S	3,108	
						504,433	44,134
55	Subtotal (continued on next page)					4,441,285	152,903

The S or M notation indicates single story or multi-story, respectively.

**Property Summary by Region - December 31, 2007 (continued)
Wholly Owned Properties**

Operating Property Count	Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment	
55	Subtotal (continued from prior page)					4,441,285	152,903
1	5520 Research Park Drive (UMBC) (1)	BWI Airport	bwtech@UMBC	2007	M	23,500	110,400
	5522 Research Park Drive (UMBC) (1)	BWI Airport	bwtech@UMBC				
1	2500 Riva Road	Annapolis		2000	M	155,000	
1	Old Annapolis Road	Howard Co. Perimeter	Oakland Ridge	1985	M	171,436	

1	7125 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1973/1999	M	611,379	
2	7000 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1999	M	145,806	
3	6731 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2002	M	123,911	
4	6711 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2006-2007	M	123,410	
5	6940 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1999	M	109,003	
6	6950 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1998	M	107,778	
7	8621 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2005-2006	M	86,032	
8	7067 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	82,953	
9	6750 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	78,460	
10	6700 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1988	M	74,859	
11	6740 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1992	M	63,480	
12	7015 Albert Einstein Drive	Howard Co. Perimeter	Columbia Gateway	1999	S	61,203	
13	8671 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2002	S	56,350	
14	6716 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1990	M	52,005	
15	8661 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	2002	S	49,307	
16	7130 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1989	S	46,840	
17	7142 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1994	S	45,951	
18	6708 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1988	M	39,203	
19	7065 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	38,560	
20	7138 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	38,225	
21	7063 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	36,813	
22	6760 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1991	M	36,440	
23	7150 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1991	S	35,812	
24	7061 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	M	29,910	
25	6724 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	28,420	
26	7134 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	21,991	
						2,224,101	—
1	7200 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	1986	S	160,000	
2	7160 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	2000	M	62,084	
3	9140 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1983	S	41,704	
4	7150 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	2000	M	41,382	
5	9160 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1984	M	37,034	
6	7170 Riverwood Drive	Howard Co. Perimeter	Rivers Corporate Park	2000	M	29,162	
7	9150 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1984	S	18,592	
8	10280 Old Columbia Road	Howard Co. Perimeter	Rivers Corporate Park	1988/2001	S	16,796	
9	10270 Old Columbia Road	Howard Co. Perimeter	Rivers Corporate Park	1988/2001	S	16,686	
10	9130 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1984	S	13,700	
11	10290 Old Columbia Road	Howard Co. Perimeter	Rivers Corporate Park	1988/2001	S	10,890	
						448,030	—
1	9720 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	40,004	
2	9740 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	38,292	
3	9700 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	31,261	
4	9730 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	30,986	
5	9710 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	15,229	
						155,772	—
1	9020 Mendenhall Court	Howard Co. Perimeter	Sieling Business Park	1982/2005	S	49,259	
101	Total Baltimore/Washington Corridor					7,668,383	263,303

The S or M notation indicates single story or multi-story building, respectively.

(1) This property is a land-lease property.

Property Summary by Region - December 31, 2007 (continued)
Wholly Owned Properties

Operating Property Count	Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
St. Mary's & King George Counties						
1	22309 Exploration Drive	St. Mary's County	Exploration Park	1984/1997	M	98,860
2	22289 Exploration Drive	St. Mary's County	Exploration Park	2000	M	61,059
3	22299 Exploration Drive	St. Mary's County	Exploration Park	1998	M	58,231
4	22300 Exploration Drive	St. Mary's County	Exploration Park	1997	M	44,830
						262,980
1	46579 Expedition Drive	St. Mary's County	Expedition Park	2002	M	61,156
2	46591 Expedition Drive	St. Mary's County	Expedition Park	2005-2006	M	60,029
						121,185
1	44425 Pecan Court	St. Mary's County	Wildewood Tech Park	1997	M	59,055
2	44408 Pecan Court	St. Mary's County	Wildewood Tech Park	1986	S	50,532
3	23535 Cottonwood Parkway	St. Mary's County	Wildewood Tech Park	1984	M	46,656
4	44417 Pecan Court	St. Mary's County	Wildewood Tech Park	1989	S	29,053
5	44414 Pecan Court	St. Mary's County	Wildewood Tech Park	1986	S	25,444
6	44420 Pecan Court	St. Mary's County	Wildewood Tech Park	1989	S	25,200
						235,940
1	16480 Commerce Drive	King George County	Dahlgren Technology Center	2000	M	70,728
2	16541 Commerce Drive	King George County	Dahlgren Technology Center	1996	S	36,053
3	16539 Commerce Drive	King George County	Dahlgren Technology Center	1990	S	32,076
4	16442 Commerce Drive	King George County	Dahlgren Technology Center	2002	S	25,518
5	16501 Commerce Drive	King George County	Dahlgren Technology Center	2002	S	22,833
6	16543 Commerce Drive	King George County	Dahlgren Technology Center	2002	S	17,370
						204,578
18	Total St. Mary's & King George Counties					824,683
Northern Virginia						
1	15000 Conference Center Drive	Dulles South	Westfields	1989	M	470,406
2	15010 Conference Center Drive	Dulles South	Westfields	2006	M	223,610
3	15059 Conference Center Drive	Dulles South	Westfields	2000	M	145,192
4	15049 Conference Center Drive	Dulles South	Westfields	1997	M	145,053
5	14900 Conference Center Drive	Dulles South	Westfields	1999	M	127,115
6	14280 Park Meadow Drive	Dulles South	Westfields	1999	M	114,126

7	4851 Stonecroft Boulevard	Dulles South	Westfields	2004	M	88,094	
8	14850 Conference Center Drive	Dulles South	Westfields	2000	M	69,711	
9	14840 Conference Center Drive	Dulles South	Westfields	2000	M	69,710	
						1,453,017	—
1	13200 Woodland Park Road	Herndon	Woodland	2002	M	404,665	
1	13454 Sunrise Valley Road	Herndon	Dulles Tech	1998	M	112,633	
2	13450 Sunrise Valley Road	Herndon	Dulles Tech	1998	M	53,728	
						166,361	—
1	1751 Pinnacle Drive	Tysons Corner		1989/1995	M	260,469	
2	1753 Pinnacle Drive	Tysons Corner		1976/2004	M	181,637	
						442,106	—
14	Total Northern Virginia					2,466,149	—
	<u>Other</u>						
1	11751 Meadowville Lane	Richmond Southwest	Meadowville Technology Park	2007	M	193,000	
1	201 Technology Park Drive	Southwest Virginia	Russell Regional Business Tech Park	2007	S	102,842	
1	607 Lakeside Drive	Fort Ritchie		1990/2007	S	4,904	
3	Total Other					300,746	—

The S or M notation indicates single story or multi-story building, respectively.

Property Summary by Region - December 31, 2007 (continued)
Wholly Owned Properties

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
	<u>Greater Philadelphia</u>						
1	753 Jolly Road	Blue Bell	Unisys campus	1992	S	419,472	
2	785 Jolly Road	Blue Bell	Unisys campus	1996	M	219,065	
3	760 Jolly Road	Blue Bell	Unisys campus	1994	M	208,854	
4	751 Jolly Road	Blue Bell	Unisys campus	1991	M	112,958	
	Total Greater Philadelphia					960,349	—
	<u>Central New Jersey</u>						
1	431 Ridge Road	Exit 8A — Cranbury	Princeton Tech Cntr.	1998	S	171,200	
2	429 Ridge Road	Exit 8A — Cranbury	Princeton Tech Cntr.	1996	M	142,385	
3	437 Ridge Road	Exit 8A — Cranbury	Princeton Tech Cntr.	1996	S	30,000	
						343,585	—
1	47 Commerce	Exit 8A — Cranbury	Centrepoint North	1998	S	41,398	
4	Total Central New Jersey					384,983	—
	<u>San Antonio, Texas</u>						
2	8611 Military Drive	San Antonio		1982/1985	M	468,994	90,607
	Total San Antonio, Texas					468,994	90,607
	<u>Colorado Springs</u>						
	655 Space Center Drive	Colorado Springs East	Patriot Park		M		103,970
1	985 Space Center Drive	Colorado Springs East	Patriot Park	1989	M	102,717	
2	745 Space Center Drive	Colorado Springs East	Patriot Park	2006	M	51,500	
3	980 Technology Court	Colorado Springs East	Patriot Park	1995	S	33,190	
4	525 Babcock Road	Colorado Springs East	Patriot Park	1967	S	14,000	
						201,407	103,970
	1055 North Newport Road	Colorado Springs East	Aerotech Commerce Park		M		59,763
1	1670 North Newport Road	Colorado Springs East		1986-1987	M	67,500	
2	1915 Aerotech Drive	Colorado Springs East		1985	S	37,946	
3	1925 Aerotech Drive	Colorado Springs East		1985	S	37,946	
						143,392	—
1	9965 Federal Drive	I-25 North Corridor	InterQuest Office	1983/2007	M	41,120	33,629
	9945 Federal Drive	I-25 North Corridor	InterQuest Office		M		73,940
2	9950 Federal Drive	I-25 North Corridor	InterQuest Office	2001	S	66,222	
	9925 Federal Drive	I-25 North Corridor	InterQuest Office		M		53,845
3	9960 Federal Drive	I-25 North Corridor	InterQuest Office	2001	S	46,948	
						154,290	161,414
1	5775 Mark Dabling Boulevard	Colorado Springs Northwest		1984	M	109,678	
2	5725 Mark Dabling Boulevard	Colorado Springs Northwest		1984	M	108,976	
3	5755 Mark Dabling Boulevard	Colorado Springs Northwest		1989	M	105,210	
						323,864	—
13	Total Colorado Springs					822,953	325,147

The S or M notation indicates single story or multi-story building, respectively.

Property Summary by Region - December 31, 2007 (continued)
Wholly Owned Properties

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
Suburban Maryland							
1	11800 Tech Road	North Silver Spring	Montgomery Industrial	1989	M	228,179	
1	400 Professional Drive	Gaithersburg	Crown Point	2000	M	129,311	
1	110 Thomas Johnson Drive	Frederick		1987/1999	M	117,803	
1	45 West Gude Drive	Rockville		1987	M	108,588	
2	15 West Gude Drive	Rockville		1986	M	106,694	
						215,282	—
5	Total Suburban Maryland					690,575	—
Suburban Baltimore							
1	11311 McCormick Road	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1984/1994	M	212,691	
2	200 International Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1987	M	128,658	
3	226 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1980	M	98,640	
4	201 International Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1982	M	78,634	
5	11011 McCormick Road	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1974	M	56,512	
6	216 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1988/2001	M	36,003	
7	222 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1978/1997	M	28,003	
8	224 Schilling Circle	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1978/1997	M	27,372	
9	11101 McCormick Road	Hunt Valley/Rte 83 Corridor	Hunt Valley Business Comm.	1976	S	24,232	
						690,745	—
1	10150 York Road	Hunt Valley/Rte 83 Corridor		1985	M	178,286	
2	9690 Deereco Road	Hunt Valley/Rte 83 Corridor		1988	M	134,167	
3	375 West Padonia Road	Hunt Valley/Rte 83 Corridor		1986	M	110,328	
						422,781	—
1	7210 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1972	S	83,435	
2	7152 Windsor Boulevard	Baltimore County Westside	Rutherford Business Center	1986	S	57,855	
3	21 Governor's Court	Baltimore County Westside	Rutherford Business Center	1981/1995	M	56,063	
4	7125 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	M	50,488	
5	7253 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	38,930	
6	7104 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	M	30,257	
7	17 Governor's Court	Baltimore County Westside	Rutherford Business Center	1981	S	14,619	
8	15 Governor's Court	Baltimore County Westside	Rutherford Business Center	1981	S	14,568	
9	7127 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	S	11,144	
10	7129 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	S	11,075	
11	7108 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	9,018	
12	7102 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	8,879	
13	7106 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1988	S	8,820	
14	7131 Ambassador Road	Baltimore County Westside	Rutherford Business Center	1985	S	7,453	
						402,604	—
1	502 Washington Avenue	Towson		1984	M	91,188	
2	102 West Pennsylvania Avenue	Towson		1968/2001	M	49,497	
3	100 West Pennsylvania Avenue	Towson		1952/1989	M	18,451	
4	109-111 Allegheny Avenue	Towson		1971	M	18,431	
						177,567	—
30	Subtotal (continued on next page)					1,693,697	—

The S or M notation indicates single story or multi-story building, respectively.

**Property Summary by Region - December 31, 2007 (continued)
Wholly Owned Properties**

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
30	Subtotal (continued from prior page)					1,693,697	—
1	4940 Campbell Boulevard	White Marsh	Campbell Corporate Center	1990	M	49,813	
1	8140 Corporate Drive	White Marsh	Corporate Place	2003	M	75,687	
2	8110 Corporate Drive	White Marsh	Corporate Place	2001	M	75,687	
						151,374	—
1	9910 Franklin Square Drive	White Marsh	Franklin Ridge	2005	S	56,271	
2	9920 Franklin Square Drive	White Marsh	Franklin Ridge	2006	S	44,566	
3	9930 Franklin Square Drive	White Marsh	Franklin Ridge	2001	S	39,750	
4	9900 Franklin Square Drive	White Marsh	Franklin Ridge	1999	S	33,912	
5	9940 Franklin Square Drive	White Marsh	Franklin Ridge	2000	S	33,134	
						207,633	—
1	8020 Corporate Drive	White Marsh	McLean Ridge	1997	S	51,600	
2	8094 Sandpiper Circle	White Marsh	McLean Ridge	1998	S	50,812	
3	8098 Sandpiper Circle	White Marsh	McLean Ridge	1998	S	47,680	
4	8010 Corporate Drive	White Marsh	McLean Ridge	1998	S	39,351	
						189,443	—
1	5325 Nottingham Ridge Road	White Marsh	Nottingham Ridge	2002	S	37,322	
1	7941-7949 Corporate Drive	White Marsh	Tyler Ridge	1996	S	57,600	
2	8007 Corporate Drive	White Marsh	Tyler Ridge	1995	S	43,197	
3	8013 Corporate Drive	White Marsh	Tyler Ridge	1990	S	38,618	
4	8019 Corporate Drive	White Marsh	Tyler Ridge	1990	S	25,461	
5	8003 Corporate Drive	White Marsh	Tyler Ridge	1999	S	18,327	
6	8015 Corporate Drive	White Marsh	Tyler Ridge	1990	S	16,610	
7	8023 Corporate Drive	White Marsh	Tyler Ridge	1990	S	9,486	
						209,299	—
1	5020 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	44,701	
2	5024 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	33,858	

3	5026 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	30,868	
4	5022 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	27,601	
						137,028	—
1	10001 Franklin Square Drive	White Marsh	White Marsh Commerce Center	1997	S	216,000	
1	8114 Sandpiper Circle	White Marsh	White Marsh Health Center	1986	S	45,399	
1	4979 Mercantile Road	White Marsh	White Marsh Hi-Tech Center	1985	S	50,498	
2	4969 Mercantile Road	White Marsh	White Marsh Hi-Tech Center	1983	S	47,574	
						98,072	—
1	7939 Honeygo Boulevard	White Marsh	White Marsh Professional Center	1984	M	28,081	
2	8133 Perry Hall Boulevard	White Marsh	White Marsh Professional Center	1988	M	27,803	
3	7923 Honeygo Boulevard	White Marsh	White Marsh Professional Center	1985	M	24,053	
						79,937	—
1	8031 Corporate Drive	White Marsh		1988/2004	S	66,000	
2	8615 Ridgely's Choice Drive	White Marsh		2005	M	37,797	
3	8029 Corporate Drive	White Marsh		1988/2004	S	25,000	
						128,797	—
64	Total Suburban Baltimore					3,243,814	—
228	TOTAL PORTFOLIO					17,831,629	679,057

The S or M notation indicates single story or multi-story building, respectively.

Property Summary by Region - December 31, 2007 Joint Venture Properties

Operating Property Count		Submarket	Business Park	Year Built or Renovated	S or M	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment
Unconsolidated Joint Venture Properties							
Greater Harrisburg							
1	2605 Interstate Drive	East Shore	Commerce Park	1990	M	79,456	
2	2601 Market Place	East Shore	Commerce Park	1989	M	65,411	
						144,867	—
1	6345 Flank Drive	East Shore	Gtwy Corp. Ctr.	1989	S	69,443	
2	6340 Flank Drive	East Shore	Gtwy Corp. Ctr.	1988	S	68,200	
3	6400 Flank Drive	East Shore	Gtwy Corp. Ctr.	1992	S	52,439	
4	6360 Flank Drive	East Shore	Gtwy Corp. Ctr.	1988	S	46,500	
5	6385 Flank Drive	East Shore	Gtwy Corp. Ctr.	1995	S	32,921	
6	6380 Flank Drive	East Shore	Gtwy Corp. Ctr.	1991	S	32,668	
7	6405 Flank Drive	East Shore	Gtwy Corp. Ctr.	1991	S	32,000	
8	95 Shannon Road	East Shore	Gtwy Corp. Ctr.	1999	S	21,976	
9	75 Shannon Road	East Shore	Gtwy Corp. Ctr.	1999	S	20,887	
10	6375 Flank Drive	East Shore	Gtwy Corp. Ctr.	2000	S	19,783	
11	85 Shannon Road	East Shore	Gtwy Corp. Ctr.	1999	S	12,863	
						409,680	—
1	5035 Ritter Road	West Shore	Rossmoyne Bus. Ctr.	1988	S	56,556	
2	5070 Ritter Road - Building A	West Shore	Rossmoyne Bus. Ctr.	1989	S	32,309	
3	5070 Ritter Road - Building B	West Shore	Rossmoyne Bus. Ctr.	1989	S	28,347	
						117,212	—
16	Total Greater Harrisburg					671,759	—
16	Total Unconsolidated Joint Venture Properties					671,759	—
Consolidated Joint Venture Properties							
Suburban Maryland							
1	4230 Forbes Boulevard	Lanham	Forbes 50	2003	S	55,866	
	Total Suburban Maryland					55,866	—
Baltimore/Washington Corridor							
	7468 Candlewood Road	BWI Airport	Baltimore Commons	1979/1982	M		356,000
	7740 Milestone Parkway	BWI Airport	Arundel Preserve		M		151,800
	Total Baltimore/Washington Corridor					—	507,800
Northern Virginia							
1	2900 Towerview Road	Route 28 South	Renaissance Park	1982	M	78,171	58,866
	13849 Park Center Road	Route 28 South	Renaissance Park	1982	M		57,000
	Total Northern Virginia					78,171	115,866
2	Total Consolidated Joint Venture Properties					134,037	623,666
18	TOTAL PORTFOLIO					805,796	623,666

The S or M notation indicates single story or multi-story building, respectively.

Property Occupancy Rates by Region by Quarter Wholly Owned Properties

	Washington Corridor	Northern Virginia	Suburban Baltimore	Suburban Maryland	King George Counties	Colorado Springs	San Antonio	Greater Philadelphia	Central New Jersey	Other	Total Portfolio
December 31, 2007											
Number of Buildings	101	14	64	5	18	13	2	4	4	3	228
Rentable Square Feet	7,668,383	2,466,149	3,243,814	690,575	824,683	822,953	468,994	960,349	384,983	300,746	17,831,629
Occupied %	92.59%	98.60%	84.77%	97.80%	91.55%	96.66%	100.00%	100.00%	70.82%	100.00%	92.59%
Leased %	93.13%	98.77%	87.39%	98.28%	93.34%	96.66%	100.00%	100.00%	70.82%	100.00%	93.42%
September 30, 2007											
Number of Buildings	101	14	66	5	18	13	2	4	4	2	229
Rentable Square Feet	7,569,985	2,466,149	3,336,709	690,575	824,683	821,453	468,994	960,349	384,983	197,904	17,721,784
Occupied %	93.46%	99.23%	83.87%	97.80%	92.32%	96.05%	100.00%	100.00%	70.82%	100.00%	92.80%
Leased %	93.85%	99.33%	84.69%	97.80%	94.11%	96.05%	100.00%	100.00%	70.82%	100.00%	93.22%
June 30, 2007											
Number of Buildings	101	14	66	5	18	12	2	4	6	1	229
Rentable Square Feet	7,536,565	2,466,149	3,336,085	698,584	824,710	808,031	468,994	960,349	417,314	193,000	17,709,781
Occupied %	93.54%	99.23%	84.34%	95.91%	92.15%	94.50%	100.00%	100.00%	68.73%	100.00%	92.68%
Leased %	94.11%	99.23%	85.65%	95.91%	92.95%	96.23%	100.00%	100.00%	68.73%	100.00%	93.28%
March 31, 2007											
Number of Buildings	100	14	66	5	18	11	2	4	6	n/a	226
Rentable Square Feet	7,463,037	2,466,149	3,335,160	698,584	824,710	766,911	468,994	960,349	417,314	n/a	17,401,208
Occupied %	94.11%	99.39%	85.22%	94.79%	92.15%	94.21%	100.00%	100.00%	68.73%	n/a	92.97%
Leased %	94.94%	99.39%	86.91%	94.79%	92.35%	94.21%	100.00%	100.00%	68.73%	n/a	93.66%
December 31, 2006											
Number of Buildings	87	14	23	5	18	11	2	4	6	n/a	170
Rentable Square Feet	7,021,396	2,466,113	1,425,788	698,584	824,710	766,911	468,994	960,349	417,314	n/a	15,050,159
Occupied %	95.10%	90.93%	81.06%	83.20%	92.15%	92.75%	100.00%	100.00%	97.18%	n/a	92.78%
Leased %	95.81%	99.46%	85.36%	94.79%	92.15%	93.04%	100.00%	100.00%	97.18%	n/a	95.46%

**Property Occupancy Rates by Region by Quarter
Joint Venture Properties**

	Unconsolidated Greater Harrisburg	Consolidated Suburban Maryland	Northern Virginia	Total Portfolio
December 31, 2007				
Number of Buildings	16	1	1	18
Rentable Square Feet	671,759	55,866	78,171	805,796
Occupied %	90.46%	76.15%	100.00%	90.39%
Leased %	90.46%	76.15%	100.00%	90.39%
September 30, 2007				
Number of Buildings	16	1	1	18
Rentable Square Feet	671,759	55,866	78,171	805,796
Occupied %	90.46%	76.15%	100.00%	90.39%
Leased %	90.46%	76.15%	100.00%	90.39%
June 30, 2007				
Number of Buildings	16	1	1	18
Rentable Square Feet	671,759	55,866	78,171	805,796
Occupied %	90.96%	75.00%	100.00%	90.73%
Leased %	91.13%	75.00%	100.00%	90.87%
March 31, 2007				
Number of Buildings	16	1	1	18
Rentable Square Feet	671,759	55,866	78,171	805,796
Occupied %	91.25%	47.95%	100.00%	89.09%
Leased %	91.25%	74.94%	100.00%	90.97%
December 31, 2006				
Number of Buildings	16	1	1	18
Rentable Square Feet	671,211	55,866	78,171	805,248
Occupied %	91.16%	47.95%	100.00%	89.02%
Leased %	91.16%	47.95%	100.00%	89.02%

**Reconciliation of Wholly Owned Properties to Entire
Portfolio as of December 31, 2007**

	Count	Square Feet	Occupied%	Leased%
Wholly Owned Properties	228	17,831,629	92.59%	93.42%
Add: Consolidated Joint Venture Properties	2	134,037	90.06%	90.06%
Subtotal	230	17,965,666	92.57%	93.40%

Add: Unconsolidated Joint Venture Properties	16	671,759	90.46%	90.46%
Entire Portfolio	<u>246</u>	<u>18,637,425</u>	<u>92.49%</u>	<u>93.29%</u>

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Top Twenty Office Tenants of Wholly Owned Properties as of December 31, 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)	62	2,485,800	15.1%	\$ 57,395	16.3%	6.4
Northrop Grumman Corporation	(6)	17	1,045,442	6.3%	26,199	7.4%	7.5
Booz Allen Hamilton, Inc.		8	714,233	4.3%	19,568	5.5%	6.5
Computer Sciences Corporation	(6)	4	454,645	2.8%	11,446	3.2%	3.4
Unisys Corporation	(7)	4	760,145	4.6%	8,843	2.5%	1.7
L-3 Communications Holdings, Inc.	(6)	3	211,493	1.3%	8,613	2.4%	6.2
General Dynamics Corporation		9	284,415	1.7%	7,249	2.1%	2.2
The Aerospace Corporation		2	231,785	1.4%	6,867	1.9%	6.9
Wachovia Corporation	(6)	4	183,577	1.1%	6,614	1.9%	10.6
Comcast Corporation		11	342,266	2.1%	6,095	1.7%	4.1
AT&T Corporation	(6)	9	337,052	2.0%	6,041	1.7%	4.8
The Boeing Company	(6)	4	143,480	0.9%	4,085	1.2%	3.7
ITT Corporation	(6)	7	168,853	1.0%	4,019	1.1%	4.8
Ciena Corporation		3	221,609	1.3%	3,675	1.0%	4.2
Science Applications International Corp.		12	170,839	1.0%	3,243	0.9%	1.1
BAE Systems PLC	(6)	7	212,339	1.3%	2,880	0.8%	3.0
The Johns Hopkins University		4	129,735	0.8%	2,863	0.8%	8.1
Merck & Co., Inc. (Unisys)	(7)	2	227,273	1.4%	2,675	0.8%	1.5
Magellan Health Services, Inc.		2	113,727	0.7%	2,478	0.7%	3.6
Wyle Laboratories, Inc.		4	174,792	1.1%	2,475	0.7%	4.7
Subtotal Top 20 Office Tenants		178	8,613,500	52.2%	193,321	54.8%	5.7
All remaining tenants		757	7,896,467	47.8%	159,288	45.2%	4.1
Total/Weighted Average		<u>935</u>	<u>16,509,967</u>	<u>100.0%</u>	<u>\$ 352,609</u>	<u>100.0%</u>	<u>5.0</u>

(1) Table excludes owner occupied leasing activity which represents 145,701 square feet with a weighted average remaining lease term of 7.3 years as of December 31, 2007.

(2) Total Annualized Rental Revenue is the monthly contractual base rent as of December 31, 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.

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Combined Real Estate Revenue by Geographic Region by Quarter
(Dollars in thousands)

	2007				2006
	December 31	September 30	June 30	March 31	December 31
Office Properties:					
Baltimore/Washington Corridor	\$ 43,101	\$ 43,850	\$ 42,722	\$ 43,837	\$ 40,093
Northern Virginia	18,421	18,554	18,255	17,172	15,400
Suburban Baltimore	14,464	13,576	13,448	13,081	6,415
Suburban Maryland	4,355	4,410	3,943	3,967	3,864
St. Mary's and King George Counties	3,200	3,338	3,029	3,098	3,083
Colorado Springs	3,794	4,311	3,605	3,594	3,364
San Antonio	1,895	1,832	1,862	1,781	2,046
Greater Philadelphia	2,506	2,506	2,506	2,506	2,506
Central New Jersey	943	1,110	1,006	1,786	4,698
Other	2,749	1,704	858	267	260
Subtotal	95,428	95,191	91,234	91,089	81,729
Eliminations / other	(312)	(353)	(64)	(694)	(252)
Combined Real Estate Revenue	\$ 95,116	\$ 94,838	\$ 91,170	\$ 90,395	\$ 81,477

Combined Net Operating Income by Geographic Region by Quarter
(Dollars in thousands)

	2007	2006
--	------	------

Number of Buildings	82	14	23	6	17	11	2	4	3	162
Rentable Square Feet	6,662,320	2,466,149	1,424,752	746,441	764,654	766,833	468,994	960,349	242,598	14,503,090
Percent Occupied	93.27%	98.88%	82.68%	96.18%	95.51%	96.20%	100.00%	100.00%	100.00%	94.38%

3rd Quarter 2007 Average

Number of Buildings	82	14	23	6	17	11	2	4	3	162
Rentable Square Feet	6,662,924	2,466,149	1,424,364	751,780	764,672	766,718	468,994	960,349	242,598	14,508,548
Percent Occupied	94.10%	99.23%	81.94%	95.46%	96.51%	94.97%	100.00%	100.00%	100.00%	94.70%

2nd Quarter 2007 Average

Number of Buildings	82	14	23	6	17	11	2	4	3	162
Rentable Square Feet	6,641,387	2,466,149	1,423,590	754,450	764,681	766,911	468,994	960,349	242,598	14,489,109
Percent Occupied	94.83%	99.33%	83.91%	92.72%	96.52%	94.21%	100.00%	100.00%	100.00%	95.07%

1st Quarter 2007 Average

Number of Buildings	82	14	23	6	17	11	2	4	3	162
Rentable Square Feet	6,644,169	2,466,149	1,424,674	754,450	764,681	766,911	468,994	960,349	242,598	14,492,975
Percent Occupied	95.04%	93.76%	82.85%	91.32%	96.52%	94.02%	100.00%	100.00%	100.00%	94.03%

4th Quarter 2006 Average

Number of Buildings	82	14	23	6	17	11	2	4	3	162
Rentable Square Feet	6,640,988	2,466,113	1,425,466	754,377	764,681	766,911	468,994	960,349	242,598	14,490,477
Percent Occupied	95.35%	88.11%	83.91%	80.51%	96.52%	92.89%	100.00%	100.00%	100.00%	92.69%

(1) Same office properties represent buildings owned and 100% operational for a minimum of five reporting quarters.

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Office Lease Expiration Analysis by Year for Wholly Owned Properties

Year of Lease Expiration (1)	Number of Leases Expiring	Square Footage of Leases Expiring	Percentage of Total Occupied Square Feet	Total Annualized Rental Revenue of Expiring Leases (2) (000's)	Percentage of Total Annualized Rental Revenue Expiring	Total Annual. Rental Revenue of Expiring Leases per Occupied Square Foot
January - March	47	448,104	2.7%	\$ 8,794	2.5%	\$ 19.62
April - June	42	334,032	2.0%	6,615	1.9%	19.80
July - September	56	868,249	5.3%	18,305	5.2%	21.08
October - December	39	285,835	1.7%	5,610	1.6%	19.63
Total 2008	184	1,936,220	11.7%	\$ 39,323	11.2%	\$ 20.31
2009	163	2,969,784	18.0%	50,387	14.3%	16.97
2010	160	2,056,484	12.5%	46,979	13.3%	22.84
2011	125	1,534,448	9.3%	30,644	8.7%	19.97
2012	126	2,447,463	14.8%	51,997	14.7%	21.25
2013	39	992,272	6.0%	22,824	6.5%	23.00
2014	27	727,776	4.4%	20,769	5.9%	28.54
2015	28	1,298,810	7.9%	30,784	8.7%	23.70
2016	20	485,182	2.9%	12,054	3.4%	24.84
2017	29	740,028	4.5%	18,595	5.3%	25.13
2018	5	333,455	2.0%	8,566	2.4%	25.69
2019	2	38,292	0.2%	391	0.1%	10.21
2020	—	—	0.0%	—	0.0%	0.00
2021	1	104,695	0.6%	2,454	0.7%	23.44
2022	2	295,842	1.8%	8,148	2.3%	27.54
2023	—	—	0.0%	—	0.0%	0.00
2024	—	—	0.0%	—	0.0%	0.00
2025	2	468,994	2.8%	7,232	2.1%	15.42
Other (3)	22	80,222	0.5%	1,463	0.4%	18.24
Total / Average	935	16,509,967	100.0%	\$ 352,609	100.0%	\$ 21.36

NOTE: As of December 31, 2007, the weighted average lease term for the wholly owned properties is 5.0 years.

- Many of our government leases are subject to certain early termination provisions which are customary to government leases. The year of lease expiration was computed assuming no exercise of such early termination rights.
- Total Annualized Rental Revenue is the monthly contractual base rent as of December 31, 2007 multiplied by 12 plus the estimated annualized expense reimbursements under existing office leases.
- Other consists primarily of amenities, including cafeterias, concierge offices and property management space. In addition, month-to-month leases and leases which have expired but the tenant remains in holdover are included in this line as the exact expiration date is unknown.

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Annual Office Renewal Analysis

	Baltimore/ Washington Corridor	Northern Virginia	Suburban Baltimore	Suburban Maryland	St. Mary's & King George Counties	Colorado Springs	Central New Jersey	Greater Harrisburg (1)	Total Office
For Year Ended December 31, 2007:									
Expiring Square Feet	1,209,747	132,194	855,084	7,954	175,157	14,421	6,412	n/a	2,400,969
Vacated Square Feet	353,882	83,066	273,094	—	20,776	4,811	6,412	n/a	742,041
Renewed Square Feet	855,865	49,128	581,990	7,954	154,381	9,610	—	n/a	1,658,928
Retention Rate (% based upon square feet)	70.75%	37.16%	68.06%	100.00%	88.14%	66.64%	0.00%	n/a	69.09%
<i>Renewed Space Only:</i>									
Change in Total Rent - GAAP	13.53%	2.54%	3.85%	-9.98%	11.65%	-1.63%	0.00%	n/a	9.52%
Change in Total Rent - Cash	5.60%	-7.01%	-1.27%	-19.35%	5.20%	-7.28%	0.00%	n/a	2.54%
Average Capital Cost per Square Foot	\$ 6.80	\$ 4.65	\$ 4.92	\$ 15.02	\$ 4.97	\$ 3.75	\$ —	n/a	\$ 5.93
<i>Renewed & Retenanted Space:</i>									
Change in Total Rent - GAAP	11.62%	4.14%	1.00%	-9.98%	10.77%	0.85%	0.00%	n/a	7.26%
Change in Total Rent - Cash	4.62%	-4.79%	-3.85%	-19.35%	4.25%	-3.65%	0.00%	n/a	0.88%
Average Capital Cost per Square Foot	\$ 9.68	\$ 11.49	\$ 10.03	\$ 15.02	\$ 5.09	\$ 5.70	\$ —	n/a	\$ 9.58
For Year Ended December 31, 2006:									
Expiring Square Feet	872,387	349,322	311,800	91,307	195,834	70,196	60,004	n/a	1,950,850
Vacated Square Feet (2)	287,859	217,166	237,928	17,730	43,985	11,422	54,755	n/a	870,845
Renewed Square Feet	584,528	132,156	73,872	73,577	151,849	58,774	5,249	n/a	1,080,005
Retention Rate (% based upon square feet)	67.00%	37.83%	23.69%	80.58%	77.54%	83.73%	8.75%	n/a	55.36%
<i>Renewed Space Only:</i>									
Change in Total Rent - GAAP	16.11%	6.02%	4.46%	-1.35%	2.57%	-7.13%	1.95%	n/a	9.71%
Change in Total Rent - Cash	5.87%	-0.95%	-1.14%	-9.64%	-1.58%	-5.21%	1.18%	n/a	1.79%
Average Capital Cost per Square Foot	\$ 2.76	\$ 5.11	\$ 8.96	\$ 2.18	\$ 1.07	\$ 4.27	\$ 0.77	n/a	\$ 3.27
<i>Renewed & Retenanted Space:</i>									
Change in Total Rent - GAAP	18.67%	-2.15%	2.66%	-5.54%	0.99%	-7.13%	3.67%	n/a	7.60%
Change in Total Rent - Cash	9.20%	-7.98%	-4.40%	-11.67%	-3.06%	-5.21%	2.60%	n/a	0.51%
Average Capital Cost per Square Foot	\$ 7.53	\$ 23.34	\$ 17.47	\$ 5.97	\$ 1.81	\$ 4.27	\$ 5.02	n/a	\$ 11.04
For Year Ended December 31, 2005:									
Expiring Square Feet	946,260	107,739	94,555	47,955	40,657	—	45,603	50,644	1,333,413
Vacated Square Feet	316,391	14,420	50,439	30,881	4,479	—	11,538	17,149	445,297
Renewed Square Feet	629,869	93,319	44,116	17,074	36,178	—	34,065	33,495	888,116
Retention Rate (% based upon square feet)	66.56%	86.62%	46.66%	35.60%	88.98%	0.00%	74.70%	66.14%	66.60%
<i>Renewed Space Only:</i>									
Change in Total Rent - GAAP	9.84%	-2.57%	-0.93%	8.16%	-1.99%	0.00%	4.32%	-8.39%	5.64%
Change in Total Rent - Cash	2.78%	-13.04%	-7.80%	2.34%	-5.54%	0.00%	-0.35%	-12.48%	-1.67%
Average Capital Cost per Square Foot	\$ 2.24	\$ 14.67	\$ 6.72	\$ 5.91	\$ 4.44	\$ —	\$ 5.15	\$ 0.56	\$ 3.98
<i>Renewed & Retenanted Space:</i>									
Change in Total Rent - GAAP	7.09%	-6.14%	0.46%	31.71%	3.57%	0.00%	-27.19%	-8.72%	-1.49%
Change in Total Rent - Cash	0.64%	-15.07%	-6.78%	19.20%	-0.19%	0.00%	-35.67%	-12.00%	-8.59%
Average Capital Cost per Square Foot	\$ 5.06	\$ 20.41	\$ 11.56	\$ 34.50	\$ 4.73	\$ —	\$ 6.46	\$ 5.10	\$ 8.23

Notes: No renewal or retreating activity transpired in our Greater Philadelphia, San Antonio or Other regions. Activity is exclusive of owner occupied space and leases with less than a one-year term. Expiring square feet includes early renewals and early terminations.

(1) We ceased reporting renewal and retreating activity for any of our joint venture properties effective fourth quarter of 2005.

(2) Our vacated space in our Northern Virginia portfolio for year ended December 31, 2006 includes a lease for 99,121 square feet in our 13200 Woodland Park Road building (known as One Dulles Tower) due to its early termination. This entire space was retreating for nine years and was included in our retreating statistics in the third quarter 2006. Excluding the effect of this early termination, our retention rate would have been 58.32% for the year ended December 31, 2006.

Quarterly Office Renewal Analysis for Wholly Owned Properties as of December 31, 2007

	Baltimore/ Washington Corridor	Northern Virginia	Suburban Baltimore	Suburban Maryland	St. Mary's and King George Counties	Colorado Springs	Central New Jersey	Total Office
Quarter Ended December 31, 2007:								
Expiring Square Feet	368,130	39,289	81,195	—	10,036	—	—	498,650
Vacated Square Feet	135,377	38,385	17,565	—	6,353	—	—	197,680
Renewed Square Feet	232,753	904	63,630	—	3,683	—	—	300,970
Retention Rate (% based upon square feet)	63.23%	2.30%	78.37%	0.00%	36.70%	0.00%	0.00%	60.36%
<i>Renewed Space Only:</i>								
Average Committed Cost per Square Foot	\$ 4.04	\$ 29.84	\$ 2.07	\$ —	\$ 26.61	\$ —	\$ —	\$ 3.98
Weighted Average Lease Term in years	5.5	5.7	3.1	—	4.8	—	—	5.0
Change in Total Rent - GAAP	20.42%	16.16%	2.17%	0.00%	3.44%	0.00%	0.00%	15.99%
Change in Total Rent - Cash	10.81%	11.86%	-3.44%	0.00%	-5.82%	0.00%	0.00%	7.36%
<i>Renewed & Retenanted Space:</i>								
Average Committed Cost per Square Foot	\$ 7.28	\$ 13.16	\$ 22.59	\$ —	\$ 26.61	\$ —	\$ —	\$ 12.83
Weighted Average Lease Term in years	5.7	5.1	6.0	—	4.8	—	—	5.8
Change in Total Rent - GAAP	16.38%	15.64%	-4.78%	0.00%	3.44%	0.00%	0.00%	8.46%
Change in Total Rent - Cash	6.70%	12.17%	-11.67%	0.00%	-5.82%	0.00%	0.00%	0.23%

Notes: No renewal or retenuing activity transpired in our Greater Philadelphia, San Antonio or Other regions. Activity is exclusive of owner occupied space and leases with less than a one-year term. Expiring square feet includes early renewals and early terminations.

Year to Date Wholly Owned Acquisition Summary as of December 31, 2007 (1)
(Dollars in thousands)

	Submarket	Acquisition Date	Building Count	Square Feet as of 12/31/07	Occupancy Percentage at Acquisition	Contractual Purchase Price (2)	Investment (2)(3)
Nottingham Portfolio	BWI Airport	1/9-1/10/07	1	59,397	76.8%	\$ 8,910	\$ 9,233
Nottingham Portfolio	Howard Co. Perimeter	1/9-1/10/07	12	382,031	87.8%	57,983	59,669
Nottingham Portfolio	Hunt Valley/Rte 83 Corridor	1/9-1/10/07	3	91,378	93.9%	12,904	13,641
Nottingham Portfolio	Towson	1/9-1/10/07	4	177,567 (4)	90.7%	25,485	26,228
Nottingham Portfolio	White Marsh	1/9-1/10/07	36	1,643,004	84.5%	219,718	220,268
525 Babcock Road	Colorado Springs East	7/12/2007	1	14,000	100.0%	1,504	1,523
Total			57	2,367,377		\$ 326,504	\$ 330,562

- (1) Excludes land only acquisitions.
(2) Contractual purchase price and investment balances exclude value assigned to development land.
(3) Initial accounting investment recorded by property.
(4) Excludes approximately 160,000 square foot parking garage; although, garage purchase price is included in purchase price and investment columns.

Year to Date Wholly Owned Disposition Summary as of December 31, 2007 (1)
(Dollars in thousands)

	Submarket	Disposition Date	Square Feet	Contractual Sales Price
7321 Parkway Drive	BWI Airport	9/7/2007	39,822	\$ 5,000
2 Centre Drive	Exit 8A - Cranbury	9/7/2007	16,132	3,400
8 Centre Drive	Exit 8A - Cranbury	9/7/2007	16,199	2,600
10552 Philadelphia Road	White Marsh	12/27/2007	56,000	6,800
Total			128,153	\$ 17,800

- (1) Includes operational buildings only.

Development Summary as of December 31, 2007
(Dollars in thousands)

Property and Location	Submarket	Wholly Owned or Joint Venture (JV)	Demand Driver	Total Rentable Square Feet	Percentage Leased/Committed (1)	Anticipated Total Cost	Cost to date	Outstanding Loan as of 12/31/2007	Actual or Anticipated Construction Completion Date	Anticipated Operational Date
Under Construction										
302 Sentinel Drive (302 NBP) Annapolis Junction, Maryland (2) (3)	BWI Airport	Owned	Defense Information Technology	157,146	51.33%	\$ 31,894	\$ 30,269	\$ 22,506	1Q 07	1Q 08
1362 Mellon Road Hanover, Maryland	BWI Airport	Owned	Market Demand	44,134	0.00%	10,392	8,203	—	2Q 07	2Q 08
7740 Milestone Parkway Hanover, Maryland	BWI Airport	JV	Market Demand	151,800	0.00%	35,118	21,389	—	3Q 08	3Q 09
5520 Research Park Drive (UMBC) Baltimore, Maryland	BWI Airport	Land Lease	Research Park	110,400	0.00%	24,821	10,219	—	3Q 08	3Q 09
Subtotal Baltimore/Washington Corridor				463,480	17.40%	\$ 102,225	\$ 70,080	\$ 22,506		
% of Total Regions				54.81%						
1055 North Newport Road Colorado Springs, Colorado	Colorado Springs East	Owned	Defense Information Technology	59,763	100.00%	\$ 11,553	\$ 11,204	\$ —	1Q 08	1Q 08
655 Space Center Drive (Patriot Park 6) Colorado Springs, Colorado	Colorado Springs East	Owned	Defense Information Technology	103,970	72.14%	18,519	12,883	—	1Q 08	3Q 08
9945 Federal Drive (Hybrid I) Colorado Springs, Colorado	I-25 North Corridor	Owned	Market Demand	73,940	0.00%	12,468	3,335	—	3Q 08	3Q 09

9925 Federal Drive (Hybrid II) Colorado Springs, Colorado	I-25 North Corridor	Owned	Market Demand	53,845	0.00%	8,757	2,302	—	3Q 08	3Q 09	
Subtotal Colorado Springs				291,518	46.23%	\$ 51,297	\$ 29,724	\$ —			
% of Total Regions				34.47%							
8611 Military Drive, Building C San Antonio, Texas	(1)	San Antonio	Owned	Government	38,255	100.00%	\$ 4,757	\$ —	\$ —	4Q 08	4Q 08
8611 Military Drive, Building HI San Antonio, Texas	(1)	San Antonio	Owned	Government	52,352	100.00%	3,932	—	—	4Q 08	4Q 08
Subtotal San Antonio				90,607	100.00%	\$ 8,689	\$ —	\$ —			
% of Total Regions				10.72%							
Total Under Construction				845,605	36.19%	\$ 162,211	\$ 99,804	\$ 22,506			
				100.00%							

Type of Demand Driver	% of Total Demand Drivers	Total Rentable Square Feet	Percentage Leased/Committed (1)
Government	10.72 %	90,607	100.00 %
Defense Information Technology	37.95 %	320,879	67.14 %
Market Demand	38.28 %	323,719	0.00 %
Research Park	13.06 %	110,400	0.00 %
Total Under Construction by Demand Driver	100.00 %	845,605	36.19 %

(1) These two development properties have not yet been leased but are considered committed based upon the prospective tenant and their proximity to two existing operating properties. Excluding the commitments on these two development projects, the overall leased percentage would be 25.48%.

(2) Total loan commitment is \$27.0 million.

(3) Although classified as "Under Construction," 48,377 square feet are operational.

Demand Driver Categories (as classified by COPT management):

Defense Information Technology: Development opportunity created through our current and future relationships with defense information technology contractors and, possibly, minor Government tenancy.

Government: Development opportunity created through our existing and future relationship with various agencies of the government of the United States of America. Excludes Government tenancy included in Defense Information Technology.

Market Demand: Development opportunity created through perceived unfulfilled space requirements within a specific submarket; potential submarket demand exceeds existing supply.

Research Park: Development opportunity created through specific research park relationship.

Anticipated Operational Date: Date in which the earlier of one year following substantial completion or 100% occupancy has been achieved.

Development Summary as of December 31, 2007 (continued)
(Dollars in thousands)

Property and Location	Submarket	Wholly Owned or Joint Venture (JV)	Demand Driver	Total Rentable Square Feet	Percentage Leased/Committed	Anticipated Total Cost	Cost to date	Outstanding Loan as of 12/31/2007	Actual or Anticipated Construction Completion Date	Anticipated Operational Date	
Redevelopment											
9965 Federal Drive Colorado Springs, Colorado	(1)	I-25 North Corridor	Owned	N/A	74,749	100.00%	\$ 8,716	\$ 8,607	\$ —	1Q 08	1 Q 08
Subtotal Colorado Springs				74,749	100.00%	\$ 8,716	\$ 8,607	\$ —			
2900 Towerview Road Herndon, Virginia	(2)	Route 28 South	JV	N/A	137,037	57.04%	\$ 18,836	\$ 16,571	\$ —	4Q 07	4Q 08
13849 Park Center Road Herndon, Virginia	(3)	Route 28 South	JV	N/A	57,000	n/a	6,941	6,696	—	4Q 07	n/a
Subtotal Northern Virginia				194,037	40.29%	\$ 25,777	\$ 23,267	\$ —			
7468 Candlewood Road Hanover, Maryland	(4)	BWI Airport	JV	N/A	356,000	0.00%	\$ 37,746	\$ 25,952	\$ —	4Q 08	4Q 09
Subtotal Baltimore/Washington Corridor				356,000	0.00%	\$ 37,760	\$ 25,952	\$ —			
Total Redevelopment				624,786	24.48%	\$ 72,253	\$ 57,826	\$ —			
Under Development											
324 Sentinel Drive (324 NBP) Annapolis Junction, Maryland		BWI Airport	Owned	Government	125,000		\$ 26,250	\$ 1,678	\$ —	3Q 09	2Q 10
Riverwood I & II Columbia, Maryland		Howard Co. Perimeter	Owned	Government	70,000		15,100	1,898	—	3Q 09	4Q 09
Subtotal Government				195,000		\$ 41,350	\$ 3,576	\$ —			
% of Total Drivers				17.85%							
300 Sentinel Drive (300 NBP) Annapolis Junction, Maryland		BWI Airport	Owned	Defense Information Technology	190,000		\$ 46,700	\$ 6,079	\$ —	3Q 09	3Q 10
10807 New Allegiance Drive (Epic One) Colorado Springs, Colorado		I-25 North Corridor	Owned	Defense Information Technology	145,723		30,457	2,889	—	2Q 09	1Q 10
110 Thomas Johnson Drive, Bldg #2 Frederick, Maryland		Frederick	Owned	Defense Information Technology	85,000		16,162	1,761	—	3Q 09	3Q 10
16444 Commerce Drive Dahlgren, Virginia		King George County	Owned	Defense Information Technology	57,000		10,349	947	—	2Q 09	2Q 10
565 Space Center Drive (Patriot Park 7) Colorado Springs, Colorado		Colorado Springs East	Owned	Defense Information Technology	89,773		18,250	1,311	—	2Q 09	2Q 10
Northgate Business Park (Lot A) Aberdeen, Maryland		Harford County	Owned	Defense Information Technology	80,000		16,400	960	—	4Q 09	4Q 10
6721 Columbia Gateway Drive Columbia, Maryland		Howard Co. Perimeter	owned	Market demand	125,000	0.00	26,696	6,375	—	1Q 09	1Q 10
Subtotal Defense Information Technology				647,496		\$ 138,318	\$ 13,947	\$ —			
% of Total Drivers				59.27%							
8130 Corporate Drive White Marsh, Maryland		White Marsh	Owned	Market Demand	125,000		\$ 26,535	\$ 2,929	\$ —	2Q 09	2Q 10

Subtotal Market Demand	250,000	\$ 53,231	\$ 7,304	\$ —
% of Total Drivers	21.88%			
Total Under Development	1,092,496	\$ 232,899	\$ 26,827	\$ —
	100.00%			

Type of Demand Driver	% of Total Demand Drivers	Total Rentable Square Feet
Government	17.85%	195,000
Defense Information Technology	59.27%	647,496
Market Demand	22.88%	250,000
Research Park	0.00%	—
Total Under Development by Demand Driver	100.00%	1,092,496

- (1) Although classified as "Redevelopment," 41,120 square feet are operational.
(2) Although classified as "Redevelopment," 78,171 square feet located at 2900 Towerview Road are operational. In the fourth quarter of 2007, we separated the 13849 Park Center Road redevelopment assets from this joint venture.
(3) This joint venture was separated in the fourth quarter of 2007 from our 2900 Towerview Road joint venture. Subsequent to year end, 33,354 square feet were sold.

Demand Driver Categories (as classified by COPT management):

Defense Information Technology: Development opportunity created through our current and future relationships with defense information technology contractors and, possibly, minor Government tenancy.
Government: Development opportunity created through our existing and future relationship with various agencies of the government of the United States of America. Excludes Government tenancy included in Defense Information Technology.
Market Demand: Development opportunity created through perceived unfulfilled space requirements within a specific submarket; potential submarket demand exceeds existing supply.
Research Park: Development opportunity created through a specific research park relationship.

Anticipated Operational Date: Date in which the earlier of one year following substantial completion or 100% occupancy has been achieved.

Total Development Placed into Service as of December 31, 2007
(Dollars in thousands)

Property and Location	Submarket	Wholly Owned or Joint Venture (JV)	Total Rentable Square Feet	Development Square Feet Placed Into Service				Percentage of Development Square Feet Placed Into Service Leased as of 12/31/07
				Year 2006		Year 2007		
						2nd Quarter	3rd Quarter	
11751 Meadowville Lane Chester, Virginia	Richmond Southwest	Owned	193,000	—	193,000	—	—	100.00%
6711 Columbia Gateway Drive Columbia, Maryland	Howard Co. Perimeter	Owned	123,410	68,196	21,363	33,851	— (1)	83.08%
302 Sentinel Drive (302 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	157,146	—	—	48,377	—	100.00% (2)
5522 Research Park Drive (UMBC) Baltimore, Maryland	BWI Airport	Land Lease	23,500	—	—	23,500	—	100.00%
201 Technology Park Drive Lebanon, Virginia	Southwest Virginia	Owned	102,842	—	—	—	102,842	100.00%
320 Sentinel Way (320 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	125,681	—	—	—	125,681	100.00%
Total Development Placed Into Service			725,579	68,196	214,363	105,728	228,523	95.37% (2)

- (1) In July 2007, 100% of this building became operational. As of December 31, 2006, 68,196 square feet were placed into service.
(2) Using the total rentable square feet of the buildings instead of the square feet placed into service, the percentage leased for 302 Sentinel Drive and the total development placed into service would be 51.33% and 86.58%, respectively.

Land Inventory as of December 31, 2007

Location	Submarket	Status	Non-Wholly Owned		Wholly Owned	
			Acres	Developable Square Feet	Acres	Developable Square Feet
Westfields Corporate Center	Dulles South	owned	—	—	19	246,800
Westfields Corporate Center	Dulles South	owned	—	—	17	377,300
Westfields Corporate Center	Dulles South	owned	—	—	32	674,200
Woodland Park	Herndon	owned	—	—	5	225,000
Total Northern Virginia					73	1,523,300
National Business Park (Phase II)	BWI Airport	owned	—	—	31	730,165
National Business Park (Phase III)	BWI Airport	owned	—	—	194	1,125,000
1243 Winterson Road (AS 22)	BWI Airport	owned	—	—	2	30,000
940 Elkridge Landing Road (AS 7)	BWI Airport	owned	—	—	3	53,941
Arundel Preserve	BWI Airport	under contract/JV	56	up to 1,648,200	—	—
1460 Dorsey Road	BWI Airport	owned	—	—	6	60,000
Columbia Gateway Parcel T-11		owned	—	—	14	220,000
7125 Columbia Gateway Drive	Howard Co. Perimeter	owned	—	—	5	120,000
Total Baltimore / Washington Corridor			56	1,648,200	255	2,339,106
White Marsh	White Marsh	owned	—	—	145	1,567,000
37 Allegheny Avenue	Towson	owned	—	—	0.3	40,000
Northgate Business Park	Harford County	owned	—	—	51	720,000
Total Suburban Baltimore					196	2,327,000
110 Thomas Johnson Drive	Frederick	owned	—	—	3	85,000
Rockville Corporate Center	Rockville	owned	—	—	10	220,000
Total Suburban Maryland					13	305,000
Unisys Campus	Blue Bell	owned	—	—	45	600,000

Total Greater Philadelphia							45	600,000
Princeton Technology Center	Exit 8A - Cranbury	owned	—	—	—	—	19	250,000
Total Central New Jersey							19	250,000
Dahlgren Technology Center	King George County	owned	—	—	—	—	32	65,000
Expedition Park	St. Mary's County	owned	—	—	—	—	6	60,000
Total St. Mary's & King George Counties							38	125,000
InterQuest	I-25 North Corridor	owned	—	—	—	—	111	1,626,492
9965 Federal Drive	I-25 North Corridor	owned	—	—	—	—	4	30,000
Patriot Park	Colorado Springs East	owned	—	—	—	—	71	770,000
Aerotech Commerce	Colorado Springs East	owned	—	—	—	—	6	90,000
Total Colorado Springs							192	2,516,492
San Antonio	San Antonio	owned	—	—	—	—	27	350,000
San Antonio	San Antonio	owned	—	—	—	—	31	375,000
Total San Antonio							58	725,000
Indian Head	Charles County, MD	JV- 75% ownership	169		827,250		—	—
Fort Ritchie (1)	Cascade, MD	owned	—		—		591	1,700,000
Total Other			169		827,250		591	1,700,000
TOTAL			225		2,475,450		1,479	12,410,898

This land inventory schedule excludes all properties listed as under construction, redevelopment or under development as detailed on pages 40 and 41.

(1) The Fort Ritchie acquisition includes 301,134 square feet of existing office space targeted for future redevelopment (of which 3,014 square feet are leased as of December 31, 2007) and 110 existing usable residential units.

Joint Venture Summary as of December 31, 2007
(Dollars in thousands)

Property and Location	Joint Venture Interest Held By COPT	Status	Consolidated Properties			Total Assets	Consolidated Debt as of 12/31/07	Recourse to COPT	Option to Acquire Partner's Interest
			Square Feet	Acreage					
4230 Forbes Boulevard Lanham, Maryland	50.0%	Operating	55,866	5 acres	\$ 4,403	\$ —	N/A	Yes	
7468 Candlewood Road (1) Hanover, Maryland	92.5%	Redevelopment	356,000	19 acres	27,812	—	N/A	Yes	
2900 Towerview Road Herndon, Virginia	92.5%	Operating/ Redevelopment	137,037	8 acres	17,965	—	N/A	Yes	
13849 Park Center Road Herndon, Virginia	92.5%	Redevelopment	57,000	4 acres	6,696	—	N/A	Yes	
Indian Head Technology Center Business Park Indian Head, Maryland	75.0%	Land Inventory	827,250	169 acres	4,559	—	N/A	No	
7740-7744 Milestone Parkway (2) Hanover, Maryland	50.0%	Construction/ Land Inventory	455,400	23 acres	30,147	—	N/A	No	
TOTAL					\$ 91,583	\$ —			
Property and Location	Joint Venture Interest Held By COPT	Status	Unconsolidated Properties			Off-Balance Sheet Debt as of 12/31/07	Recourse to COPT	Option to Acquire Partner's Interest	
			Square Feet	COPT Investment					
Greater Harrisburg Portfolio Harrisburg and Mechanicsburg, Pennsylvania	20.0%	Operating	671,759	\$ (4,246)	\$ 66,600	No	No		

(1) The 7468 Candlewood Road project is currently being redeveloped into approximately 356,000 rentable square feet of warehouse/flex space.

(2) Of this joint venture entity, one building totaling 151,800 square feet is currently under construction.

Reconciliations of Non GAAP Measurements
(Dollars in thousands)

	2007				2006
	December 31	September 30	June 30	March 31	December 31
Total Assets or Denominator for Debt to Total Assets	\$ 2,931,853	\$ 2,916,023	\$ 2,854,729	\$ 2,814,723	\$ 2,419,601
Accumulated depreciation	288,387	270,580	255,248	236,650	219,574
Intangible assets on real estate acquisitions, net	108,661	116,368	123,861	131,934	87,325
Assets other than assets included in investment in real estate	(328,381)	(331,078)	(330,156)	(340,546)	(308,291)
Denominator for Debt to Undepreciated Book Value of Real Estate Assets	\$ 3,000,520	\$ 2,971,893	\$ 2,903,682	\$ 2,842,761	\$ 2,418,209
GAAP Revenues from Real Estate Operations	\$ 94,794	\$ 94,376	\$ 90,642	\$ 89,137	\$ 77,491
Revenues from discontinued operations	322	462	528	1,258	3,986

Combined Real Estate Revenues	\$ 95,116	\$ 94,838	\$ 91,170	\$ 90,395	\$ 81,477
GAAP Revenues from Real Estate Operations	\$ 94,794	\$ 94,376	\$ 90,642	\$ 89,137	\$ 77,491
Property operating expenses	(31,133)	(31,614)	(28,973)	(31,562)	(25,447)
Revenues from discontinued operations	322	462	528	1,258	3,986
Property operating expenses from discontinued operations	(244)	(631)	(321)	(462)	(394)
Combined Net Operating Income	\$ 63,739	\$ 62,593	\$ 61,876	\$ 58,371	\$ 55,636
GAAP Net Operating Income for Same Office Properties	\$ 52,504	\$ 52,549	\$ 52,895	\$ 51,733	\$ 50,348
Less: Straight-line rent adjustments	(1,596)	(2,187)	(1,878)	(2,119)	(2,493)
Less: Amortization of deferred market rental revenue	(417)	(542)	(415)	(477)	(490)
Cash Net Operating Income for Same Office Properties	\$ 50,491	\$ 49,820	\$ 50,602	\$ 49,137	\$ 47,365
Less: Lease termination fees, gross	(200)	(610)	(921)	(1,160)	(798)
Cash Net Operating Income for Same Office Properties, adjusted for lease termination fees	\$ 50,291	\$ 49,210	\$ 49,681	\$ 47,977	\$ 46,567
Depreciation and amortization	\$ 26,312	\$ 26,431	\$ 27,243	\$ 26,345	\$ 19,916
Depreciation of furniture, fixtures and equipment	(358)	(339)	(342)	(326)	(313)
Depreciation and amortization from discontinued operations	653	174	186	281	165
Combined real estate related depreciation and other amortization	\$ 26,607	\$ 26,266	\$ 27,087	\$ 26,300	\$ 19,768
Total tenant improvements and incentives on operating properties	\$ 2,692	\$ 4,605	\$ 7,673	\$ 6,517	\$ 9,907
Total capital improvements on operating properties	4,748	2,514	2,387	1,581	3,844
Total leasing costs for operating properties	1,850	719	2,014	2,979	2,827
Less: Nonrecurring tenant improvements and incentives on operating properties	(811)	(1,887)	(3,636)	(5,858)	(7,489)
Less: Nonrecurring capital improvements on operating properties	(1,442)	(1,198)	(1,446)	(408)	(1,364)
Less: Nonrecurring leasing costs for operating properties	(575)	(89)	(494)	(1,698)	(2,171)
Add: Recurring improvements on operating properties held through joint ventures	42	—	28	28	833
Recurring capital expenditures	\$ 6,504	\$ 4,664	\$ 6,526	\$ 3,141	\$ 6,387
Interest expense from continuing operations	\$ 20,771	\$ 21,000	\$ 20,460	\$ 19,801	\$ 18,625
Interest expense from discontinued operations	28	145	614	463	260
Combined interest expense or denominator for interest coverage	\$ 20,799	\$ 21,145	\$ 21,074	\$ 20,264	\$ 18,885
Scheduled principal amortization	4,611	3,936	3,696	7,685	3,834
Denominator for Debt Service Coverage	\$ 25,410	\$ 25,081	\$ 24,770	\$ 27,949	\$ 22,719
Scheduled principal amortization	(4,611)	(3,936)	(3,696)	(7,685)	(3,834)
Preferred dividends - redeemable non-convertible	4,025	4,025	4,025	3,993	3,790
Preferred distributions	165	165	165	165	165
Denominator for Fixed Charge Coverage	\$ 24,989	\$ 25,335	\$ 25,264	\$ 24,422	\$ 22,840
Common dividends for Earnings Payout Ratio	\$ 16,097	\$ 16,092	\$ 14,613	\$ 14,529	\$ 13,292
Common distributions	2,777	2,777	2,574	2,554	2,622
Dividends and distributions for FFO and AFFO Payout Ratio	\$ 18,874	\$ 18,869	\$ 17,187	\$ 17,083	\$ 15,914
Income tax expense from continuing operations	\$ 89	\$ 197	\$ 178	\$ 105	\$ 264
Income tax expense from gain on sales of discontinued operations	44	—	—	—	—
Income tax expense from gain on other sales of real estate	1,068	—	3	—	—
Combined income tax expense	\$ 1,201	\$ 197	\$ 181	\$ 105	\$ 264