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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

Date of report (Date of earliest event reported) **July 29, 2009 (July 29, 2009)**

**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**

On July 29, 2009, the Registrant issued a press release relating to its financial results for the three months ended June 30, 2009 and, in connection with this release, is making available certain supplemental information pertaining to its properties and operations as of and for the period ended June 30, 2009. A copy of the press release is included as Exhibit 99.1 to this report, and the supplemental information is included as Exhibit 99.2 to this report, both of which are incorporated herein by reference.

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

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.

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. Gains from sales of newly-developed properties less accumulated depreciation, if any, required under GAAP are included in FFO on the basis that development services are the primary revenue generating activity; the Registrant believes that inclusion of these development gains is in accordance with the National Association of Real Estate Investment Trusts' ("NAREIT") definition of FFO, although others may interpret the definition differently.

Accounting for real estate assets using historical cost accounting under GAAP assumes that the value of real estate assets diminishes predictably over time. NAREIT stated in its April 2002 White Paper on Funds from Operations that "since real estate asset values have historically risen or fallen with market conditions, many industry investors have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves." As a result, the concept of FFO was created by NAREIT for the REIT industry to "address this problem." The Registrant agrees with the concept of FFO and believes that FFO is useful to 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.

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FFO is not necessarily an indication of the Registrant's cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating the Registrant's financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant's liquidity or ability to make cash distributions or pay debt service. The FFO presented by the Registrant may not be comparable to the FFO presented by other REITs since they may interpret the current NAREIT definition of FFO differently or they may not use the current NAREIT definition of FFO.

#### Basic FFO available to common share and common unit holders ("Basic FFO")

This measure is FFO adjusted to subtract (1) preferred share dividends, (2) income attributable to noncontrolling interests through ownership of preferred units in Corporate Office Properties, L.P. (the "Operating Partnership") or interests in other consolidated entities not owned by the Registrant, (3) depreciation and amortization allocable to noncontrolling interests in other consolidated entities, (4) Basic FFO allocable to restricted shares and (5) issuance costs associated with redeemed preferred shares. With these adjustments, Basic FFO represents FFO available to common shareholders and holders of common units in the Operating Partnership ("common units"). Common units are substantially similar to common shares of beneficial interest in the Registrant ("common shares") and are exchangeable into common shares, subject to certain conditions. The Registrant believes that Basic FFO is useful to investors due to the close correlation of common units to common shares. The Registrant believes that net income is the most directly comparable GAAP measure to Basic FFO. Basic FFO has essentially the same limitations as FFO; management compensates for these limitations in essentially the same manner as described above for FFO.

#### Diluted FFO available to common share and common unit holders ("Diluted FFO")

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

#### Diluted FFO per share

Diluted FFO per share is (1) Diluted FFO divided by (2) the sum of the (a) weighted average common shares outstanding during a period, (b) weighted average common units outstanding during a period and (c) weighted average number of potential additional common shares that would have been outstanding during a period if other securities that are convertible or exchangeable into common shares were converted or exchanged. However, the computation of

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Diluted FFO per share does not assume conversion of securities other than common units in the Operating Partnership that are convertible into common shares if the conversion of those securities would increase Diluted FFO per share in a given period. The Registrant believes that Diluted FFO per share is useful to investors because it provides investors with a further context for evaluating the Registrant's FFO results in the same manner that investors use earnings per share ("EPS") in evaluating net income available to common shareholders. In addition, since most equity REITs provide Diluted FFO per share information to the investment community, the Registrant believes that Diluted FFO per share is a useful supplemental measure for comparing the Registrant to other equity REITs. The Registrant believes that diluted EPS is the most directly comparable GAAP measure to Diluted FFO per share. Diluted FFO per share has most of the same limitations as Diluted FFO (described above); management compensates for these limitations in essentially the same manner as described below for Diluted FFO.

#### Diluted earnings per share ("diluted EPS"), excluding gain on early extinguishment of debt

This measure is defined as diluted EPS adjusted to exclude the gain recognized on the repurchase of a portion of the Registrant's outstanding 3.5% Exchangeable Senior Notes. The Registrant believes that this gain is not indicative of normal operations. As such, the Registrant believes that a measure that excludes the gain 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 effects of the early extinguishment of debt 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.

#### Diluted FFO available to common share and common unit holders, excluding gain on early extinguishment of debt

This measure is defined as Diluted FFO adjusted to exclude the gain recognized on the repurchase of a portion of the Registrant's outstanding 3.5% Exchangeable Senior Notes. The Registrant believes that this gain is not indicative of normal operations. As such, the Registrant believes that a measure that excludes the gain 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. This measure has essentially the same limitations as Diluted FFO, as well as the further limitation of not reflecting the effects of the early extinguishment of debt and preferred share redemption in accordance with GAAP; management compensates for these limitations in essentially the same manner as described above for Diluted FFO.

#### Diluted FFO per share, excluding gain on early extinguishment of debt

This measure is defined as (1) Diluted FFO available to common share and common unit holders, excluding gain on early extinguishment of debt 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. As discussed above, the Registrant believes that the gain on early extinguishment of debt is not indicative of normal operations. As such, the Registrant believes that a measure that excludes this item is a useful supplemental measure in evaluating its operating performance. The Registrant believes that diluted EPS is the most directly comparable GAAP measure. This measure has most of the same limitations as Diluted FFO (described above), as well as the further

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limitation of not reflecting the effects of the early extinguishment of debt and the preferred share redemption in accordance with GAAP; management compensates for these limitations in essentially the same manner as described above for Diluted FFO.

#### Diluted adjusted funds from operations available to common share and common unit holders (“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), (b) amortization of the discount on the Registrant’s Exchangeable Senior Notes, net of amounts capitalized, (c) the gain recognized on early extinguishment of debt and (d) 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 tenant improvements and incentives, capital improvements and leasing costs for operating properties that are not (1) items contemplated prior to the acquisition of a property, (2) improvements associated with the expansion of a building or its improvements, (3) renovations to a building which change the underlying classification of the building (for example, from industrial to office or Class C office to Class B office) or (4) capital improvements that represent the addition of something new to the property rather than the replacement of something (for example, the addition of a new heating and air conditioning unit that is not replacing one that was previously there). 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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#### Real estate revenues from continuing and discontinued operations

This measure is total revenues 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 revenues from real estate operations from continuing operations is the most directly comparable GAAP measure to this measure. The measure 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.

#### Net operating income (“NOI”)

NOI is real estate revenues from continuing and discontinued operations reduced by total property expenses associated with real estate operations, including discontinued operations; total property expenses, as used in this definition, do not include depreciation, amortization or interest expense associated with real estate operations. The Registrant believes that NOI is an important supplemental measure of operating performance for a REIT’s operating real estate because it provides a measure of the core real estate operations, rather than factoring in depreciation and amortization or corporate financing and general and administrative expenses; this measure is particularly useful in the opinion of the Registrant in evaluating the performance of geographic segments, same-office property groupings and individual properties. The Registrant believes that net income is the most directly comparable GAAP measure to NOI. The measure excludes many items that are includable in net income; management compensates for this limitation by using the measure simply as a supplemental measure that is weighed in the balance with other GAAP and non-GAAP measures. It should not be used as an alternative to net income when evaluating the Registrant’s financial performance or to cash flow from operating, investing and financing activities when evaluating the Registrant’s liquidity or ability to make cash distributions or pay debt service. NOI presented by the Registrant may not be comparable to NOI presented by other equity REITs that define the measure differently.

#### Cash net operating income (“Cash NOI”)

Cash NOI is NOI (defined above) adjusted to eliminate the effects of noncash rental revenues (comprised of straight-line rental adjustments, which includes the amortization of recurring tenant incentives, and amortization of deferred market rental revenue). Under GAAP, rental revenue is recognized evenly over the term of tenant leases. Many leases provide for contractual rent increases and the effect of accounting under GAAP for such leases is to accelerate the recognition of lease revenue. Since some leases provide for periods under the lease in which rental concessions are provided to tenants, the effect of accounting under GAAP is to allocate rental revenue to such periods. Also under GAAP, when a property is acquired, in-place operating leases carrying rents above or below market are valued as of the date of the acquisition; such value is then amortized into rental revenue over the lives of the related leases.

The Registrant believes that Cash NOI is an important supplemental measure of operating performance for a REIT’s operating real estate because it makes adjustments to NOI for revenue that is not associated with cash to the Registrant. As is the case with NOI, the measure is useful in the opinion of the Registrant in evaluating and comparing the performance of geographic segments, same-office property groupings and individual properties, although, since it adjusts for noncash items, it provides management and investors with a further indication of the Registrant’s

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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, excluding gross 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, excluding gross lease 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 and income taxes. 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.

#### NOI Interest Coverage Ratio and EBITDA Interest Coverage Ratio

These measures divide either NOI or EBITDA by interest expense on continuing and discontinued operations (excluding amortization of deferred financing costs). 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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#### NOI Debt Service Coverage Ratio and EBITDA Debt Service Coverage Ratio

These measures divide either 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.

#### NOI Fixed Charge Coverage Ratio and EBITDA Fixed Charge Coverage Ratio

These measures divide either 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.

#### NOI as a Percentage of Real Estate Revenues from Continuing and Discontinued Operations and EBITDA as a Percentage of Real Estate Revenues from Continuing and Discontinued Operations

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

#### General and Administrative Expenses as a Percentage of Real Estate Revenues from Continuing and Discontinued Operations or EBITDA

These measures divide general and administrative expenses by either real estate revenues from continuing and discontinued operations 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 NOI

This measure divides recurring capital expenditures by NOI.

#### Diluted FFO payout ratio and diluted AFFO payout ratio

These measures are defined as (1) the sum of (a) dividends on common shares and (b) dividends on 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 Diluted FFO payout ratio and Diluted AFFO 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-Diluted FFO and Dividend Coverage-Diluted AFFO

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

#### Debt to Undepreciated Book Value of Real Estate Assets

This measure is defined as mortgage and other loans payable plus 3.5% Exchangeable Senior Notes 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 and other loans payable plus 3.5% Exchangeable Senior Notes 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

<u>Exhibit Number</u>	<u>Exhibit Title</u>
99.1	Press release dated July 29, 2009 for Corporate Properties Trust
99.2	Supplemental information dated June 30, 2009 for Corporate Office Properties Trust

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#### 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: July 29, 2009

CORPORATE OFFICE PROPERTIES TRUST

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

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#### EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Title</u>
99.1	Press release dated July 29, 2009 for Corporate Office Properties Trust
99.2	Supplemental information dated June 30, 2009 for Corporate Office Properties Trust

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## NEWS RELEASE

## FOR IMMEDIATE RELEASE

Contact:  
Mary Ellen Fowler  
Senior Vice President and Treasurer  
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**CORPORATE OFFICE PROPERTIES TRUST**  
**REPORTS SECOND QUARTER 2009 RESULTS**

**COLUMBIA, MD July 29, 2009** — Corporate Office Properties Trust (COPT) (NYSE: OFC) announced today financial and operating results for the quarter ended June 30, 2009.

**Highlights**

- 14% increase in diluted Funds from Operations (“FFO”) per share to \$.67 or \$46.9 million of FFO for the second quarter 2009 from \$.59 per share or \$37.8 million of FFO for the second quarter 2008.
- 29% increase in diluted earnings per share (“Diluted EPS”) to \$.22 or \$12.6 million of net income available to common shareholders for the second quarter 2009 as compared to \$.17 per diluted share or \$8.1 million of net income available to common shareholders for the second quarter 2008.
- 46% increase in diluted Adjusted Funds from Operations available to common share and common unit holders (“Diluted AFFO”) to \$36.2 million for the second quarter 2009 as compared to \$24.8 million for the second quarter 2008.
- 92.3% occupied and 93.2% leased for our wholly-owned portfolio as of June 30, 2009.
- 70% renewal rate on expiring leases for second quarter 2009, with an 11% increase in total straight-line rents for renewed space.
- 5% increase in same office property cash NOI for the quarter compared to the second quarter 2008. The Company’s same office portfolio for the quarter ended June 30, 2009 represents 92% of the rentable square feet of its consolidated portfolio and consists of 228 properties.

“Continuing our strong 2009 performance, the Company had an excellent second quarter and is well positioned for the second half of 2009. Real estate is a lagging indicator, therefore the full impact of the recession has not yet been felt in the real estate markets. In anticipation of this trend, we have strengthened our financial position with no debt maturing for the remainder of 2009 and continue to tighten operating expenses,” stated Randall M. Griffin, President and Chief Executive Officer, Corporate Office Properties Trust. “We are well positioned to accelerate product to meet the imminent demand in several of our markets resulting from BRAC and the cyber initiative,” he stated.

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**Financial Ratios**

Diluted FFO payout ratio for the six months ended June 30, 2009 was 56% as compared to 59% for the six months ended June 30, 2008. Diluted AFFO payout ratio for the six months ended June 30, 2009 was 66% as compared to 77% for the six months ended June 30, 2008.

As of June 30, 2009, the Company had a total market capitalization of \$3.9 billion, with \$1.8 billion in debt outstanding, equating to a 47% debt to total market capitalization ratio.

As of June 30, 2009, the Company’s weighted average interest rate was 4.7% and the Company had 74% of the total debt subject to fixed interest rates.

For the second quarter 2009, the Company’s EBITDA to interest coverage ratio was 3.7x, and the EBITDA fixed charge coverage ratio was 3.0x.

Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in the tables that follow the text of this press release.

**Operating Results**

At June 30, 2009, the Company’s wholly-owned portfolio of 243 office properties totaled 18.7 million square feet. The weighted average remaining lease term for the portfolio was 4.7 years and the average rental rate (including tenant reimbursements) was \$23.12 per square foot.

For the quarter ended June 30, 2009, 499,000 square feet was renewed equating to a 70% renewal rate, at an average committed cost of \$9.42 per square foot. Total rent on renewed space increased 11% on a straight-line basis, as measured from the straight-line rent in effect preceding the renewal date and remained flat on a cash basis. For renewed and retenanted space of 630,000 square feet, total straight-line rent increased 8% and total rent on a cash basis decreased 4%. The average committed cost for renewed and retenanted space was \$10.79 per square foot.

**Development Activity**

At June 30, 2009, the Company had 2.4 million square feet under construction, development and redevelopment for a total projected cost of \$498.9 million.

The Company’s land inventory (wholly-owned and joint venture) at June 30, 2009 totaled 1,827 acres that can support 16.2 million square feet of development.

During the quarter, the Company placed into service 175,000 square feet located in three newly-constructed properties.

**Financing and Capital Transactions**

The Company executed the following transactions during the quarter:

- Issued approximately 3.0 million common shares in an underwritten public offering made in conjunction with the Company’s inclusion in the S&P MidCap 400 Index on April 1, 2009. The shares were issued at a public offering price of \$24.35 per share for net proceeds after underwriting discounts but before offering expenses of \$72.1 million. The net proceeds were used to pay down the Company’s Revolving Credit Facility and for general corporate purposes.

- Closed on a \$50.0 million secured loan with a five-year term that carries interest at LIBOR plus 3.0% (subject to a LIBOR floor of 2.5%). The proceeds were used to repay the Company's maturing debt and pay down its Revolving Credit Facility.
- Closed on a \$23.4 million joint venture construction loan with a two-year term and the right to extend for an additional year that carries interest at LIBOR plus 2.75%. The proceeds were used to pay down the Company's Revolving Credit Facility.

#### **Subsequent Event**

The Company repaid its remaining 2009 maturing debt of approximately \$22.5 million using proceeds from its unsecured credit facility and closed on a \$90.0 million secured loan with a five-year term that carries interest at 7.25%. Most of the proceeds were used to pay down the Company's Revolving Credit Facility.

#### **Earnings Guidance**

The Company revised its 2009 diluted EPS guidance from a range of \$.70 to \$.80 to a range of \$.59 to \$.67 per diluted share.

The Company revised its 2009 diluted FFO per share guidance from a range of \$2.41 to \$2.51 to a range of \$2.43 to \$2.51, representing growth of 2% to 5% compared to 2008 diluted FFO per share, as adjusted, of \$2.38. The adjusted 2008 results reflect the change in accounting for exchangeable debt as required by the adoption of the FSP regarding APB 14-1 and excludes gains on extinguishment of exchangeable notes.

#### **Conference Call**

The Company will hold an investor/analyst conference call:

##### **Conference Call (within the United States)**

Date: Thursday, July 30, 2009  
 Time: 11:00 a.m. Eastern Time  
 Telephone Number: 888-679-8034  
 Passcode: 24073962

##### **Conference Call (outside the United States)**

Date: Thursday, July 30, 2009  
 Time: 11:00 a.m. Eastern Time  
 Telephone Number: 617-213-4847  
 Passcode: 24073962

Please use the following link to pre-register and view important information about this conference call. Pre-registering is not mandatory but is recommended as it will provide you immediate entry into the call and will facilitate the timely start of the conference. Pre-registration only takes a few moments and you may pre-register at anytime, including up to and after the call start time. To pre-register, please click on the below link: <https://www.theconferencingservice.com/prereg/key.process?key=PN9KBNJAM>

You may also pre-register in the Investor Relations section of the Company's website at [www.copt.com](http://www.copt.com). Alternatively, you may be placed into the call by an operator by calling the number provided above at least 5 to 10 minutes before the start of the call. A replay of this call will be available beginning Thursday, July 30 at 3:00 p.m. Eastern Time through Thursday, August 13 at midnight Eastern Time. To access the replay within in the United States, please call 888-286-8010 and use passcode 48082544. To access the replay outside the United States, please call 617-801-6888 and use passcode 48082544.

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

#### **Definitions**

Please refer to our Form 8-K or our website ([www.copt.com](http://www.copt.com)) for definitions of certain terms used in this press release. Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in the attached tables.

#### **Company Information**

Corporate Office Properties Trust (COPT) (NYSE: OFC) is a specialty office real estate investment trust (REIT) that focuses on strategic customer relationships and specialized tenant requirements in the U.S. Government, Defense Information Technology and Data sectors. The Company acquires, develops, manages and leases properties which are typically concentrated in large office parks primarily located adjacent to government demand drivers and/or in growth corridors. As of June 30, 2009, the Company owned 262 office and data properties totaling 19.6 million rentable square feet, which includes 19 properties totaling 852,000 square feet held through joint ventures. The Company's portfolio primarily consists of technically sophisticated buildings in visually appealing settings that are environmentally sensitive, sustainable and meet unique customer requirements. COPT is an S&P MidCap 400 company and more information can be found at [www.copt.com](http://www.copt.com).

#### **Forward-Looking Information**

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

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

- the Company's ability to borrow on favorable terms;
- general economic and business conditions, which will, among other things, affect office property demand and rents, tenant creditworthiness, interest rates and financing

- adverse changes in the real estate markets including, among other things, increased competition with other companies;
- risk of real estate acquisition and development, including, among other things, risks that development projects may not be completed on schedule, that tenants may not take occupancy or pay rent or that development or operating costs may be greater than anticipated;
- risks of investing through joint venture structures, including risks that the Company's joint venture partners may not fulfill their financial obligations as investors or may take actions that are inconsistent with the Company's objectives;
- our ability to satisfy and operate effectively under federal income tax rules relating to real estate investment trusts and partnerships;
- governmental actions and initiatives; and
- environmental requirements.

The Company undertakes no obligation to update or supplement any forward-looking statements. For further information, please refer to the Company's filings with the Securities and Exchange Commission, particularly the section entitled "Risk Factors" in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2008.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
<b>Revenues</b>				
Real estate revenues	\$ 105,718	\$ 97,946	\$ 212,562	\$ 194,948
Service operations revenues	103,324	22,424	178,213	33,038
Total revenues	<u>209,042</u>	<u>120,370</u>	<u>390,775</u>	<u>227,986</u>
<b>Expenses</b>				
Property operating expenses	37,162	33,957	76,195	68,499
Depreciation and other amortization associated with real estate operations	28,708	24,955	55,199	49,847
Service operations expenses	101,161	21,926	174,484	32,433
General and administrative expenses	5,834	5,934	11,377	11,704
Business development expenses	446	102	1,092	265
Total operating expenses	<u>173,311</u>	<u>86,874</u>	<u>318,347</u>	<u>162,748</u>
Operating income	35,731	33,496	72,428	65,238
Interest expense	(18,678)	(21,162)	(38,102)	(43,077)
Interest and other income	1,252	170	2,330	365
Income from continuing operations before equity in loss of unconsolidated entities and income taxes	18,305	12,504	36,656	22,526
Equity in loss of unconsolidated entities	(202)	(56)	(317)	(110)
Income tax (expense) benefit	(52)	107	(122)	(5)
Income from continuing operations	18,051	12,555	36,217	22,411
Discontinued operations	—	1,314	—	2,580
Income before gain on sales of real estate	18,051	13,869	36,217	24,991
Gain on sales of real estate, net of income taxes	—	41	—	1,100
Net income	18,051	13,910	36,217	26,091
Less net income attributable to noncontrolling interests				
Common units in the Operating Partnership	(1,272)	(1,461)	(3,076)	(2,663)
Preferred units in the Operating Partnership	(165)	(165)	(330)	(330)
Other	25	(122)	(25)	(222)
Net income attributable to COPT	16,639	12,162	32,786	22,876
Preferred share dividends	(4,026)	(4,026)	(8,051)	(8,051)
Net income attributable to COPT common shareholders	<u>\$ 12,613</u>	<u>\$ 8,136</u>	<u>\$ 24,735</u>	<u>\$ 14,825</u>
<b>Earnings per share "EPS" computation:</b>				
Numerator for diluted EPS:				
Net income available to common shareholders	\$ 12,613	\$ 8,136	\$ 24,735	\$ 14,825
Amount allocable to restricted shares	(242)	(166)	(510)	(336)
Numerator for diluted EPS	<u>12,371</u>	<u>7,970</u>	<u>24,225</u>	<u>14,489</u>
Denominator:				
Weighted average common shares - basic	56,637	47,110	54,296	47,055
Dilutive effect of stock option awards	546	790	522	746
Weighted average common shares - diluted	<u>57,183</u>	<u>47,900</u>	<u>54,818</u>	<u>47,801</u>
Diluted EPS	<u>\$ 0.22</u>	<u>\$ 0.17</u>	<u>\$ 0.44</u>	<u>\$ 0.30</u>



(unaudited)  
(Amounts in thousands, except per share data and ratios)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Net income	\$ 18,051	\$ 13,910	\$ 36,217	\$ 26,091
Add: Real estate-related depreciation and amortization	28,708	24,955	55,199	49,899
Add: Depreciation and amortization on unconsolidated real estate entities	161	163	321	327
Less: Gain on sales of operating properties, net of income taxes	—	(1,250)	—	(2,630)
Funds from operations (“FFO”)	46,920	37,778	91,737	73,687
Less: Noncontrolling interests - preferred units in the Operating Partnership	(165)	(165)	(330)	(330)
Less: Noncontrolling interests - other consolidated entities	25	(122)	(25)	(222)
Less: Preferred share dividends	(4,026)	(4,026)	(8,051)	(8,051)
Less: Depreciation and amortization allocable to noncontrolling interests in other consolidated entities	(107)	(75)	(160)	(124)
Less: Basic and diluted FFO allocable to restricted shares	(450)	(308)	(903)	(582)
Basic and diluted FFO available to common share and common unit holders (“Basic and diluted FFO”)	42,197	33,082	82,268	64,378
Less: Straight-line rent adjustments	(1,718)	(2,778)	(2,858)	(5,434)
Less: Amortization of deferred market rental revenue	(616)	(458)	(996)	(903)
Less: Recurring capital expenditures	(4,383)	(5,821)	(10,266)	(10,603)
Add: Amortization of discount on Exchangeable Senior Notes, net of amounts capitalized	723	815	1,421	1,618
Diluted adjusted funds from operations available to common share and common unit holders (“Diluted AFFO”)	\$ 36,203	\$ 24,840	\$ 69,569	\$ 49,056
Weighted average shares				
Weighted average common shares	56,637	47,110	54,296	47,055
Conversion of weighted average common units	5,483	8,151	6,363	8,153
Weighted average common shares/units - basic FFO per share	62,120	55,261	60,659	55,208
Dilutive effect of share-based compensation awards	546	790	522	746
Weighted average common shares/units - diluted FFO per share	62,666	56,051	61,181	55,954
Diluted FFO per share	\$ 0.67	\$ 0.59	\$ 1.34	\$ 1.15
Dividends/distributions per common share/unit	\$ 0.3725	\$ 0.3400	\$ 0.7450	\$ 0.6800
Earnings payout ratio	171.2%	199.1%	169.2%	218.3%
Diluted FFO payout ratio	55.7%	57.3%	55.7%	58.9%
Diluted AFFO payout ratio	64.9%	76.4%	65.9%	77.3%
EBITDA interest coverage ratio	3.73x	2.97x	3.62x	2.91x
EBITDA fixed charge coverage ratio	3.01x	2.46x	2.93x	2.42x
<b>Reconciliation of denominators for diluted EPS and diluted FFO per share</b>				
Denominator for diluted EPS	57,183	47,900	54,818	47,801
Weighted average common units	5,483	8,151	6,363	8,153
Denominator for diluted FFO per share	62,666	56,051	61,181	55,954

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

	June 30, 2009	December 31, 2008
<b>Balance Sheet Data (in thousands) (as of period end)</b>		
Properties, net of accumulated depreciation	\$ 2,854,136	\$ 2,778,466
Total assets	3,198,675	3,114,239
Debt	1,831,713	1,856,751
Total liabilities	2,052,268	2,031,816
Beneficiaries' equity	1,146,407	1,082,423
Debt to total assets	57.3%	59.6%
Debt to undepreciated book value of real estate assets	55.2%	57.8%
Debt to total market capitalization	46.9%	47.4%
<b>Property Data (wholly owned properties) (as of period end)</b>		
Number of operating properties owned	243	238
Total net rentable square feet owned (in thousands)	18,740	18,462
Occupancy	92.3%	93.2%
<b>Reconciliation of denominator for debt to total assets to denominator for debt to undepreciated book value of real estate assets</b>		
Denominator for debt to total assets	\$ 3,198,675	\$ 3,114,239
Assets other than assets included in properties, net	(344,539)	(335,773)
Accumulated depreciation on real estate assets	382,385	343,110
Intangible assets on real estate acquisitions, net	81,090	91,848

Denominator for debt to undepreciated book value of real estate assets

\$ 3,317,611      \$ 3,213,424

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
<b>Reconciliation of tenant improvements and incentives, capital improvements and leasing costs for operating properties to recurring capital expenditures</b>				
Total tenant improvements and incentives on operating properties	\$ 3,826	\$ 4,731	\$ 8,051	\$ 8,578
Total capital improvements on operating properties	2,323	2,631	3,836	3,648
Total leasing costs on operating properties	950	520	2,576	1,765
Less: Nonrecurring tenant improvements and incentives on operating properties	(2,028)	(1,287)	(2,069)	(2,082)
Less: Nonrecurring capital improvements on operating properties	(694)	(866)	(1,282)	(1,368)
Less: Nonrecurring leasing costs incurred on operating properties	(16)	(22)	(916)	(52)
Add: Recurring improvements on operating properties held through joint ventures	22	114	70	114
Recurring capital expenditures	<u>\$ 4,383</u>	<u>\$ 5,821</u>	<u>\$ 10,266</u>	<u>\$ 10,603</u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
<b>Reconciliation of dividends for earnings payout ratio to dividends and distributions for FFO &amp; AFFO payout ratio</b>				
Common share dividends for earnings payout ratio	\$ 21,597	\$ 16,197	\$ 41,861	\$ 32,370
Common unit distributions	1,894	2,772	3,979	5,543
Dividends and distributions for FFO & AFFO payout ratio	<u>\$ 23,491</u>	<u>\$ 18,969</u>	<u>\$ 45,840</u>	<u>\$ 37,913</u>

**Reconciliation of GAAP net income to earnings before interest, income taxes, depreciation and amortization ("EBITDA")**

Net income	\$ 18,051	\$ 13,910	\$ 36,217	\$ 26,091
Interest expense on continuing operations	18,678	21,162	38,102	43,077
Interest expense on discontinued operations	—	10	—	51
Income tax expense (benefit)	52	(102)	122	583
Real estate-related depreciation and amortization	28,708	24,955	55,199	49,899
Depreciation of furniture, fixtures and equipment	415	392	803	776
EBITDA	<u>\$ 65,904</u>	<u>\$ 60,327</u>	<u>\$ 130,443</u>	<u>\$ 120,477</u>

**Reconciliation of interest expense from continuing operations to the denominators for interest coverage-EBITDA and fixed charge coverage-EBITDA**

Interest expense from continuing operations	\$ 18,678	\$ 21,162	\$ 38,102	\$ 43,077
Interest expense from discontinued operations	—	10	—	51
Less amortization of deferred financing costs	(1,009)	(885)	(2,033)	(1,662)
Denominator for interest coverage-EBITDA	17,669	20,287	36,069	41,466
Preferred share dividends	4,026	4,026	8,051	8,051
Preferred unit distributions	165	165	330	330
Denominator for fixed charge coverage-EBITDA	<u>\$ 21,860</u>	<u>\$ 24,478</u>	<u>\$ 44,450</u>	<u>\$ 49,847</u>

**Reconciliation of same property net operating income to same office property cash net operating income and same office property cash net operating income, excluding gross lease termination fees**

Same office property net operating income	\$ 64,988	\$ 62,796	\$ 128,415	\$ 123,218
Less: Straight-line rent adjustments	(860)	(2,014)	(1,229)	(4,123)
Less: Amortization of deferred market rental revenue	(446)	(362)	(655)	(733)
Same office property cash net operating income	\$ 63,682	\$ 60,420	\$ 126,531	\$ 118,362
Less: Lease termination fees, gross	(558)	(59)	(4,218)	(158)
Same office property cash net operating income, excluding gross lease termination fees	<u>\$ 63,124</u>	<u>\$ 60,361</u>	<u>\$ 122,313</u>	<u>\$ 118,204</u>

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

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

	Year Ending December 31, 2009	
	Low	High
<b>Reconciliation of numerators</b>		
Numerator for projected diluted EPS	\$ 33,174	\$ 37,714
Real estate-related depreciation and amortization (1)	114,783	114,783

Minority interests-common units		3,597	4,082
Incremental FFO allocable to restricted shares		(754)	(779)
Numerator for projected diluted FFO per share		<u>\$ 150,800</u>	<u>\$ 155,800</u>
<b>Reconciliation of denominators</b>			
Denominator for projected diluted EPS		56,334	56,334
Weighted average common units		5,726	5,726
Denominator for projected diluted FFO per share		<u>62,060</u>	<u>62,060</u>
Projected diluted EPS		<u>\$ 0.59</u>	<u>\$ 0.67</u>
Projected diluted FFO per share		<u>\$ 2.43</u>	<u>\$ 2.51</u>

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

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**Top Twenty Office Tenants of Wholly Owned Properties as of June 30, 2009 (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)	66	2,583,040	14.9%	69,134	17.3%	6.0
Northrop Grumman Corporation (6)	15	1,135,594	6.6%	29,119	7.3%	6.9
Booz Allen Hamilton, Inc.	8	710,692	4.1%	20,968	5.2%	5.6
Computer Sciences Corporation (6)	4	454,645	2.6%	12,371	3.1%	2.0
L-3 Communications Holdings, Inc. (6)	5	267,354	1.5%	9,863	2.5%	4.8
Unisys Corporation (7)	5	760,145	4.4%	9,097	2.3%	4.3
General Dynamics Corporation (6)	10	293,329	1.7%	8,111	2.0%	1.1
Wells Fargo & Company (6)	6	215,760	1.2%	7,583	1.9%	8.8
Aerospace Corporation (6)	3	245,598	1.4%	7,569	1.9%	5.6
ITT Corporation (6)	9	290,312	1.7%	6,859	1.7%	5.3
AT&T Corporation (6)	8	306,988	1.8%	5,903	1.5%	4.0
Comcast Corporation (6)	11	306,123	1.8%	5,854	1.5%	4.3
Integral Systems, Inc. (6)	4	240,846	1.4%	5,675	1.4%	10.5
The Boeing Company (6)	4	143,480	0.8%	4,394	1.1%	4.2
Ciena Corporation	4	229,848	1.3%	4,346	1.1%	3.9
The Johns Hopkins Institutions (6)	4	128,827	0.7%	3,205	0.8%	7.3
BAE Systems PLC (6)	7	212,339	1.2%	3,201	0.8%	3.4
Science Applications International Corp. (6)	9	137,142	0.8%	3,127	0.8%	0.4
Merck & Co., Inc. (Unisys) (6) (7)	2	225,900	1.3%	2,722	0.7%	3.1
Magellan Health Services, Inc.	2	113,727	0.7%	2,681	0.7%	2.1
<b>Subtotal Top 20 Office Tenants</b>	<b>186</b>	<b>9,001,689</b>	<b>52.0%</b>	<b>221,781</b>	<b>55.4%</b>	<b>5.4</b>
All remaining tenants	777	8,302,030	48.0%	178,214	44.6%	3.7
Total/Weighted Average	<u>963</u>	<u>17,303,719</u>	<u>100.0%</u>	<u>\$ 399,995</u>	<u>100.0%</u>	<u>4.7</u>

(1) Table excludes owner occupied leasing activity which represents 155,433 square feet with a weighted average remaining lease term of 6.1 years as of June 30, 2009.

(2) Total Annualized Rental Revenue is the monthly contractual base rent as of June 30, 2009, 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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**Supplemental Information  
(Unaudited)**

June 30, 2009



**Corporate Office Properties Trust  
Index to Supplemental Information (Unaudited)  
June 30, 2009**

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**To Members of the Investment Community:**

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, Senior Vice President and Treasurer at (443) 285-5450 or maryellen.fowler@copt.com. Reconciliations between GAAP and non GAAP measurements have been provided. Refer to our Form 8-K for definitions of certain terms used herein.

Corporate Office Properties Trust (COPT) (NYSE: OFC) is a specialty office real estate investment trust (REIT) that focuses primarily on strategic customer relationships and specialized tenant requirements in the U.S. Government, Defense Information Technology and Data sectors. The Company acquires, develops, manages and leases properties that are typically concentrated in large office parks primarily located adjacent to government demand drivers and/or in growth corridors. More information on COPT can be found at [www.copt.com](http://www.copt.com).

## **Reporting Period Highlights — Periods Ended June 30, 2009**

### **Financial Results**

For the Six Month Period:

- We reported net income available to common shareholders of \$24.7 million, or \$0.44 per diluted share, for the six months ended June 30, 2009 as compared to \$14.8 million, or \$0.30 per diluted share, for the six months ended June 30, 2008, representing an increase of 47% per share.
- We reported FFO of \$91.7 million, or \$1.34 per diluted share, for the six months ended June 30, 2009 as compared to \$73.7 million, or \$1.15 per diluted share, for the six months ended June 30, 2008, representing an increase of 17% per share.
- We reported diluted AFFO available to common share and common unit holders of \$69.6 million for the six months ended June 30, 2009 as compared to \$49.1 million for the six months ended June 30, 2008, representing an increase of 42%.
- Our diluted FFO payout ratio was 56% for the six months ended June 30, 2009 as compared to 59% for the six months ended June 30, 2008. Our diluted AFFO payout ratio was 66% for the six months ended June 30, 2009 as compared to 77% for the six months ended June 30, 2008.

For the Quarter Period:

- We reported net income available to common shareholders of \$12.6 million, or \$0.22 per diluted share, for the quarter ended June 30, 2009 as compared to \$8.1 million, or \$0.17 per diluted share, for the quarter ended June 30, 2008, representing an increase of 29% per share.
- We reported FFO of \$46.9 million, or \$0.67 per diluted share, for the quarter ended June 30, 2009 as compared to \$37.8 million, or \$0.59 per diluted share, for the quarter ended June 30, 2008, representing an increase of 14% per share.
- We reported diluted AFFO available to common share and common unit holders of \$36.2 million for the quarter ended June 30, 2009 as compared to \$24.8 million for the quarter ended June 30, 2008, representing an increase of 46%.
- Our diluted FFO payout ratio was 56% for the quarter ended June 30, 2009 as compared to 57% for the quarter ended June 30, 2008. Our diluted AFFO payout ratio was 65% for the quarter ended June 30, 2009 as compared to 76% for the quarter ended June 30, 2008.

### **Acquisition**

- We acquired for \$12.5 million a 61,000 square foot operating property located in Colorado Springs, Colorado that we believe can also support up to 90,000 additional developable square feet. The operating property is 100% leased for a 12 year term to Real Time Logic, Inc., a wholly owned subsidiary of Integral Systems, Inc.

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### **Development Activities**

- We placed into service an aggregate of 258,000 square feet in newly-constructed space in five properties during the six month ended June 30, 2009, of which 175,000 square feet were placed in service during the quarter ended June 30, 2009.

### **Operations**

- Our wholly owned portfolio was 92.3% occupied and 93.2% leased as of June 30, 2009. Our entire portfolio was 91.9% occupied and 92.8% leased as of June 30, 2009.
- The weighted average remaining lease term of our wholly owned portfolio was 4.7 years as of June 30, 2009, with an average contractual rental rate (including tenant reimbursements of operating costs) of \$23.12 per square foot.

For the Six Month Period:

- Same office property cash NOI for the six months ended June 30, 2009, excluding gross lease termination fees, increased by \$4.1 million, or 3%, as compared to the six months ended June 30, 2008. Including gross lease termination fees, our same office property cash NOI increased \$8.2 million, or 7%, as compared to the six months ended June 30, 2008. Our same office portfolio for the six months consists of 223 properties and represents 90.6% of the rentable square footage of our consolidated properties as of June 30, 2009.
- We renewed 822,000 square feet, or 74%, of our expiring office leases for the six months ended June 30, 2009 (based upon square footage), with an average committed cost of \$6.84 per square foot.
- We recognized \$3.7 million in lease termination fees for the six months ended June 30, 2009, net of write-offs of related straight-line rents and accretion of intangible assets and liabilities (i.e., SFAS 141 revenues), as compared to \$109,000 in the six months ended June 30, 2008.

For the Quarter Period:

- Same office property cash NOI, excluding gross lease termination fees, for the quarter ended June 30, 2009 increased by \$2.8 million, or 5%, as compared to the quarter ended June 30, 2008. Including gross lease termination fees, our same office property cash NOI increased \$3.3 million, or 5%, as compared to the quarter ended June 30, 2008. Our same office portfolio for the quarter consists of 228 properties and represents 92.3% of the rentable square footage of our consolidated properties as of June 30, 2009.
- We renewed 499,000 square feet, or 70%, of our expiring office leases (based upon square footage), with an average committed cost of \$9.42 per square foot. For our renewed space during the quarter ended June 30, 2009, we realized an increase of 11% in total rent, as measured from the GAAP straight-line rent in effect preceding the renewal date, while cash rent remained relatively flat. For our renewed and retented space of 630,000 square feet during the quarter ended June 30, 2009, we realized an increase of 8% in total rent, as measured from the GAAP straight-line rent in effect preceding the renewal date, and a decrease of 4% in total cash rent. The average committed cost for our space renewed and retented during the quarter ended June 30, 2009 totaled \$10.79 per square foot.
- We recognized \$568,000 in lease termination fees for the quarter ended June 30, 2009, net of write-offs of related straight-line rents and accretion of intangible assets and liabilities (i.e., SFAS 141 revenues), as compared to \$53,000 in the quarter ended June 30, 2008.

### **Financing Activity and Capital Transactions**

- In April 2009, we issued approximately 3.0 million common shares in an underwritten public offering made in conjunction with our inclusion in the S&P MidCap 400 Index effective April 1, 2009. The shares were issued at a public offering price of \$24.35 per share for net proceeds of \$72.1 million after underwriting discounts but before offering expenses. The net proceeds were used to pay down our Revolving Credit Facility and for general corporate purposes.

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- We closed on the following financing arrangements, using most of the proceeds to repay maturing debt and pay down our Revolving Credit Facility:
  - a \$50.0 million secured loan in June 2009 with a five-year term that bears interest at LIBOR plus 3.0% (subject to a LIBOR floor of 2.5%); and
  - a \$23.4 million joint venture construction loan in May 2009 with a two-year term and the right to extend for an additional year that bears interest at LIBOR plus 2.75%.
- As of June 30, 2009, our ratio of debt to total market capitalization was 47% and our ratio of debt to undepreciated book value of real estate assets was 55%. We achieved an EBITDA interest coverage ratio of 3.73x and an EBITDA fixed charge coverage ratio of 3.01x for the quarter ended June 30, 2009.

### **Subsequent Event**

On July 27, 2009, we repaid our remaining 2009 maturing debt of approximately \$22.5 million using proceeds from our unsecured credit facility. On July 28, 2009, we closed on a \$90 million secured loan with a five-year term that bears interest at 7.25%, using most of the proceeds to pay down our unsecured credit facility.

### **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 1A of our Annual Report on Form 10-K for the year ended December 31, 2008.

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### **Year to Date Selected Financial Summary Data (dollars in thousands, except per share data)**

	<b>Six Months Ended June 30,</b>	
	<b>2009</b>	<b>2008</b>
Real estate revenues from continuing operations	\$ 212,562	\$ 194,948
Total revenues from continuing operations	\$ 390,775	\$ 227,986
NOI	\$ 136,367	\$ 126,606
EBITDA	\$ 130,443	\$ 120,477
Net income	\$ 36,217	\$ 26,091
Net income attributable to noncontrolling interests	(3,431)	(3,215)
Preferred share dividends	(8,051)	(8,051)
Net income available to common shareholders	<u>\$ 24,735</u>	<u>\$ 14,825</u>
Diluted EPS	\$ 0.44	\$ 0.30
FFO	\$ 91,737	\$ 73,687
Basic and diluted FFO available to common share and common unit holders	\$ 82,268	\$ 64,378
Diluted FFO per share	\$ 1.34	\$ 1.15
Diluted AFFO available to common share and common unit holders (“diluted AFFO”)	\$ 69,569	\$ 49,056
Payout ratios:		
Earnings payout ratio	169.2 %	218.3 %
Diluted FFO payout ratio	55.7 %	58.9 %
Diluted AFFO payout ratio	65.9 %	77.3 %
Total dividends/distributions	\$ 54,221	\$ 46,294

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### **Quarterly Selected Financial Summary Data (dollars in thousands, except per share data)**

	<b>2009</b>		<b>2008</b>		
	<b>June 30</b>	<b>March 31</b>	<b>December 31</b>	<b>September 30</b>	<b>June 30</b>
Real estate revenues from continuing operations	\$ 105,718	\$ 106,844	\$ 103,599	\$ 101,086	\$ 97,946

Total revenues from continuing operations	\$ 209,042	\$ 181,733	\$ 168,944	\$ 191,088	\$ 120,370
NOI	\$ 68,556	\$ 67,811	\$ 66,813	\$ 65,223	\$ 64,063
EBITDA	\$ 65,904	\$ 64,539	\$ 70,509	\$ 62,372	\$ 60,327
Net income	\$ 18,051	\$ 18,166	\$ 21,437	\$ 13,788	\$ 13,910
Net income attributable to noncontrolling interests	(1,412)	(2,019)	(2,594)	(1,542)	(1,748)
Preferred share dividends	(4,026)	(4,025)	(4,026)	(4,025)	(4,026)
Net income available to common shareholders	<u>\$ 12,613</u>	<u>\$ 12,122</u>	<u>\$ 14,817</u>	<u>\$ 8,221</u>	<u>\$ 8,136</u>
Diluted EPS	\$ 0.22	\$ 0.23	\$ 0.28	\$ 0.17	\$ 0.17
Diluted EPS, excluding gain on early extinguishment of debt	\$ 0.22	\$ 0.23	\$ 0.15	\$ 0.17	\$ 0.17
FFO	\$ 46,920	\$ 44,817	\$ 48,886	\$ 39,533	\$ 37,778
Basic and diluted FFO available to common share and common unit holders	\$ 42,197	\$ 40,071	\$ 44,176	\$ 35,038	\$ 33,082
Diluted FFO per share	\$ 0.67	\$ 0.67	\$ 0.74	\$ 0.62	\$ 0.59
Diluted FFO per share, excluding gain on early extinguishment of debt	\$ 0.67	\$ 0.67	\$ 0.61	\$ 0.62	\$ 0.59
Diluted AFFO available to common share and common unit holders	\$ 36,203	\$ 33,366	\$ 25,638	\$ 25,453	\$ 24,840
Payout ratios:					
Earnings payout ratio	171.2%	167.2%	130.1%	233.3%	199.1%
Diluted FFO payout ratio	55.7%	55.8%	50.3%	63.4%	57.3%
Diluted AFFO payout ratio	64.9%	67.0%	86.7%	87.2%	76.4%
Total dividends/distributions	\$ 27,682	\$ 26,539	\$ 26,420	\$ 26,394	\$ 23,160

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**Quarterly Consolidated Balance Sheets**  
(dollars in thousands)

	2009		2008		
	June 30	March 31	December 31	September 30	June 30
<b>Assets</b>					
Properties, net					
Land - operational	\$ 429,064	\$ 423,985	\$ 423,985	\$ 421,311	\$ 420,182
Land - development	219,775	222,242	220,863	221,066	208,742
Construction in progress	293,787	295,686	273,733	276,221	248,660
Buildings and improvements	2,293,895	2,229,817	2,202,995	2,159,530	2,145,700
Less: accumulated depreciation	(382,385)	(362,318)	(343,110)	(339,429)	(320,879)
<b>Properties, net</b>	<b>2,854,136</b>	<b>2,809,412</b>	<b>2,778,466</b>	<b>2,738,699</b>	<b>2,702,405</b>
Cash and cash equivalents	11,931	12,702	6,775	21,316	12,857
Restricted cash	17,879	15,408	13,745	15,534	23,066
Accounts receivable, net	13,776	12,737	13,684	13,044	23,452
Deferred rent receivable	67,137	65,346	64,131	62,137	59,238
Intangible assets on real estate acquisitions, net	81,090	85,774	91,848	98,282	104,136
Deferred charges, net	48,812	47,350	51,801	51,371	48,286
Prepaid and other assets	103,914	88,561	93,789	100,448	37,934
<b>Total assets</b>	<b>\$ 3,198,675</b>	<b>\$ 3,137,290</b>	<b>\$ 3,114,239</b>	<b>\$ 3,100,831</b>	<b>\$ 3,011,374</b>
<b>Liabilities and shareholders' equity</b>					
Liabilities:					
Mortgage and other loans payable	\$ 1,677,351	\$ 1,715,144	\$ 1,704,123	\$ 1,656,280	\$ 1,704,351
3.5% Exchangeable Senior Notes	154,362	153,488	152,628	186,806	185,779
Accounts payable and accrued expenses	142,734	111,135	93,625	93,676	82,526
Rents received in advance and security deposits	29,936	31,524	30,464	26,372	32,569
Dividends and distributions payable	27,057	25,891	25,794	25,774	22,548
Deferred revenue associated with acquired operating leases	8,926	9,880	10,816	11,832	12,762
Distributions in excess of investment in unconsolidated real estate joint ventures	4,873	4,809	4,770	4,668	4,506
Other liabilities	7,029	8,793	9,596	7,059	8,820
<b>Total liabilities</b>	<b>2,052,268</b>	<b>2,060,664</b>	<b>2,031,816</b>	<b>2,012,467</b>	<b>2,053,861</b>
<b>Commitments and contingencies</b>	—	—	—	—	—
COPT's shareholders' equity:					

Preferred shares (aggregate liquidation preference of \$216,333)	81	81	81	81	81
Common shares	580	544	518	515	477
Additional paid-in capital	1,229,931	1,148,424	1,112,734	1,107,053	977,528
Cumulative distributions in excess of net income	(179,698)	(170,714)	(162,572)	(158,106)	(147,145)
Accumulated other comprehensive loss	(1,176)	(3,256)	(4,749)	(1,676)	(2,615)
Total COPT shareholders' equity	<u>1,049,718</u>	<u>975,079</u>	<u>946,012</u>	<u>947,867</u>	<u>828,326</u>
Noncontrolling interests					
Common units in the Operating Partnership	76,873	81,793	117,356	121,528	110,128
Preferred units in the Operating Partnership	8,800	8,800	8,800	8,800	8,800
Other consolidated real estate joint ventures	11,016	10,954	10,255	10,169	10,259
Total noncontrolling interests	<u>96,689</u>	<u>101,547</u>	<u>136,411</u>	<u>140,497</u>	<u>129,187</u>
<b>Total equity</b>	<b><u>1,146,407</u></b>	<b><u>1,076,626</u></b>	<b><u>1,082,423</u></b>	<b><u>1,088,364</u></b>	<b><u>957,513</u></b>
<b>Total liabilities and equity</b>	<b><u>\$ 3,198,675</u></b>	<b><u>\$ 3,137,290</u></b>	<b><u>\$ 3,114,239</u></b>	<b><u>\$ 3,100,831</u></b>	<b><u>\$ 3,011,374</u></b>

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**Year to Date Consolidated Statements of Operations**  
(in thousands, except per share data)

	Six Months Ended June 30,	
	2009	2008
<b>Revenues</b>		
Rental revenue	\$ 177,848	\$ 164,864
Tenant recoveries and other real estate operations revenue	34,714	30,084
Construction contract revenues	177,292	32,035
Other service operations revenues	921	1,003
<b>Total revenues</b>	<b><u>390,775</u></b>	<b><u>227,986</u></b>
<b>Expenses</b>		
Property operating expenses	76,195	68,499
Depreciation and amortization associated with real estate operations	55,199	49,847
Construction contract expenses	173,545	31,377
Other service operations expenses	939	1,056
General and administrative expenses	11,377	11,704
Business development	1,092	265
<b>Total operating expenses</b>	<b><u>318,347</u></b>	<b><u>162,748</u></b>
Operating income	72,428	65,238
Interest expense	(38,102)	(43,077)
Interest and other income	2,330	365
<b>Income from continuing operations before equity in loss of unconsolidated entities and income taxes</b>	<b>36,656</b>	<b>22,526</b>
Equity in loss of unconsolidated entities	(317)	(110)
Income tax expense	(122)	(5)
Income from continuing operations	36,217	22,411
Discontinued operations, net of income taxes	—	2,580
Income before gain on sales of real estate	36,217	24,991
Gain on sales of real estate, net of income taxes	—	1,100
<b>Net income</b>	<b><u>36,217</u></b>	<b><u>26,091</u></b>
Less net income attributable to noncontrolling interests		
Common units in the Operating Partnership	(3,076)	(2,663)
Preferred units in the Operating Partnership	(330)	(330)
Other consolidated entities	(25)	(222)
<b>Net income attributable to COPT</b>	<b><u>32,786</u></b>	<b><u>22,876</u></b>
Preferred share dividends	(8,051)	(8,051)
<b>Net income available to common shareholders</b>	<b><u>\$ 24,735</u></b>	<b><u>\$ 14,825</u></b>
For diluted EPS computations:		
<b>Numerator for diluted EPS</b>		
Net income available to common shareholders	\$ 24,735	\$ 14,825
Amount allocable to restricted shares	(510)	(336)
<b>Numerator for diluted EPS</b>	<b><u>\$ 24,225</u></b>	<b><u>\$ 14,489</u></b>
<b>Denominator:</b>		
Weighted average common shares - basic	54,296	47,055
Dilutive effect of stock option awards	522	746
Weighted average common shares - diluted	<u>54,818</u>	<u>47,801</u>
<b>Diluted EPS</b>	<b><u>\$ 0.44</u></b>	<b><u>\$ 0.30</u></b>

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**Year to Date Consolidated Reconciliations of FFO, AFFO, EPS**  
(in thousands, except per share data)

Six Months Ended June 30,	
2009	2008



<b>Net income</b>	<b>\$ 36,217</b>	<b>\$ 26,091</b>
Real estate-related depreciation and amortization	55,199	49,899
Depreciation and amortization on unconsolidated real estate entities	321	327
Gain on sales of operating properties, net of income taxes	—	(2,630)
<b>FFO</b>	<b>91,737</b>	<b>73,687</b>
Noncontrolling interests - preferred units in the Operating Partnership	(330)	(330)
Noncontrolling interests - other consolidated entities	(25)	(222)
Preferred share dividends	(8,051)	(8,051)
Depreciation and amortization allocable to noncontrolling interests in other consol. entities	(160)	(124)
Basic and diluted FFO allocable to restricted shares	(903)	(582)
<b>Basic and diluted FFO available to common share and common unit holders</b>	<b>82,268</b>	<b>64,378</b>
Straight line rent adjustments	(2,858)	(5,434)
Amortization of deferred market rental revenue	(996)	(903)
Recurring capital expenditures	(10,266)	(10,603)
Amortization of discount on Exchangeable Senior Notes, net of amounts capitalized	1,421	1,618
<b>Diluted AFFO available to common share and common unit holders</b>	<b>\$ 69,569</b>	<b>\$ 49,056</b>
Preferred dividends	\$ 8,051	\$ 8,051
Preferred distributions	330	330
Common distributions	3,979	5,543
Common dividends	41,861	32,370
<b>Total dividends/distributions</b>	<b>\$ 54,221</b>	<b>\$ 46,294</b>
<b>Denominator for diluted EPS</b>	<b>54,818</b>	<b>47,801</b>
Common units	6,363	8,153
<b>Denominator for diluted FFO per share</b>	<b>61,181</b>	<b>55,954</b>

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**Year to Date Consolidated Reconciliations of EBITDA, NOI, Discontinued Operations,  
Gains on Sales of Real Estate and Certain Non-GAAP Measures  
(in thousands)**

	Six Months Ended June 30,	
	2009	2008
<b>Net income</b>	<b>\$ 36,217</b>	<b>\$ 26,091</b>
Interest expense on continuing and discontinued operations	38,102	43,128
Total income tax expense (1)	122	583
Depreciation of furniture, fixtures and equipment (FF&E)	803	776
Real estate-related depreciation and other amortization	55,199	49,899
<b>EBITDA</b>	<b>\$ 130,443</b>	<b>\$ 120,477</b>
Add back:		
General and administrative	11,377	11,704
Business development	1,092	265
Depreciation of FF&E included in general and administrative expense	(803)	(776)
Income from construction contracts and other service operations	(3,729)	(605)
Interest and other income	(2,330)	(365)
Gain on sales of operating properties	—	(2,526)
Non-operational property sales and real estate services	—	(1,678)
Equity in loss of unconsolidated entities	317	110
<b>NOI</b>	<b>\$ 136,367</b>	<b>\$ 126,606</b>
<b>Discontinued Operations</b>		
Revenues from real estate operations	\$ —	\$ 355
Property operating expenses	—	(198)
Depreciation and amortization	—	(52)
Interest	—	(51)
Gain on sales of depreciated real estate properties	—	2,526
<b>Discontinued operations, net</b>	<b>\$ —</b>	<b>\$ 2,580</b>
<b>Gain on sales of real estate, net, per statements of operations</b>	<b>\$ —</b>	<b>\$ 1,100</b>
Add income taxes	—	578
Gain on sales of real estate from discontinued operations	—	2,526
<b>Gain on sales of real estate from continuing and discontinued operations</b>	<b>—</b>	<b>4,204</b>
Non-operational property sales and real estate services	—	(1,678)
<b>Gain on sales of operating properties</b>	<b>\$ —</b>	<b>\$ 2,526</b>

(1) Includes income taxes from continuing operations, discontinued operations and gains on other sales of real estate (see components on page 42).

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**Quarterly Consolidated Statements of Operations**  
(in thousands, except per share data)

	2009		2008		
	June 30	March 31	December 31	September 30	June 30
<b>Revenues</b>					
Rental revenue	\$ 88,326	\$ 89,522	\$ 87,018	\$ 85,060	\$ 83,154
Tenant recoveries and other real estate operations revenue	17,392	17,322	16,581	16,026	14,792
Construction contract revenues	102,753	74,539	64,920	89,653	21,899
Other service operations revenues	571	350	425	349	525
<b>Total revenues</b>	<b>209,042</b>	<b>181,733</b>	<b>168,944</b>	<b>191,088</b>	<b>120,370</b>
<b>Expenses</b>					
Property operating expenses	37,162	39,033	36,786	35,854	33,957
Depreciation and amortization associated with real estate operations	28,708	26,491	27,290	25,583	24,955
Construction contract expenses	100,647	72,898	63,623	87,111	21,472
Other service operations expenses	514	425	429	546	454
General and administrative expenses	5,834	5,543	6,488	5,904	5,934
Business development expenses	446	646	769	199	102
<b>Total operating expenses</b>	<b>173,311</b>	<b>145,036</b>	<b>135,385</b>	<b>155,197</b>	<b>86,874</b>
Operating income	35,731	36,697	33,559	35,891	33,496
Interest expense	(18,678)	(19,424)	(21,290)	(22,503)	(21,162)
Interest and other income	1,252	1,078	1,146	559	170
Gain on early extinguishment of debt	—	—	8,101	—	—
<b>Income from continuing operations before equity in (loss) income of unconsolidated entities and income taxes</b>	<b>18,305</b>	<b>18,351</b>	<b>21,516</b>	<b>13,947</b>	<b>12,504</b>
Equity in (loss) income of unconsolidated entities	(202)	(115)	20	(57)	(56)
Income tax (expense) benefit	(52)	(70)	(99)	(97)	107
Income from continuing operations	18,051	18,166	21,437	13,793	12,555
Discontinued operations, net of income taxes	—	—	—	(9)	1,314
Income before gain on sales of real estate	18,051	18,166	21,437	13,784	13,869
Gain on sales of real estate, net of income taxes	—	—	—	4	41
<b>Net income</b>	<b>18,051</b>	<b>18,166</b>	<b>21,437</b>	<b>13,788</b>	<b>13,910</b>
Less net income attributable to noncontrolling interests					
Common units in the Operating Partnership	(1,272)	(1,804)	(2,389)	(1,467)	(1,461)
Preferred units in the Operating Partnership	(165)	(165)	(165)	(165)	(165)
Other consolidated entities	25	(50)	(40)	90	(122)
<b>Net income attributable to COPT</b>	<b>16,639</b>	<b>16,147</b>	<b>18,843</b>	<b>12,246</b>	<b>12,162</b>
Preferred share dividends	(4,026)	(4,025)	(4,026)	(4,025)	(4,026)
<b>Net income available to common shareholders</b>	<b>\$ 12,613</b>	<b>\$ 12,122</b>	<b>\$ 14,817</b>	<b>\$ 8,221</b>	<b>\$ 8,136</b>
For diluted EPS computations:					
<u>Numerator for diluted EPS</u>					
Net income available to common shareholders	\$ 12,613	\$ 12,122	\$ 14,817	\$ 8,221	\$ 8,136
Amount allocable to restricted shares	(242)	(268)	(200)	(192)	(166)
Numerator for diluted EPS	<u>\$ 12,371</u>	<u>\$ 11,854</u>	<u>\$ 14,617</u>	<u>\$ 8,029</u>	<u>\$ 7,970</u>
<u>Denominator:</u>					
Weighted average common shares - basic	56,637	51,930	51,120	47,273	47,110
Dilutive effect of stock option awards	546	498	567	779	790
Weighted average common shares - diluted	<u>57,183</u>	<u>52,428</u>	<u>51,687</u>	<u>48,052</u>	<u>47,900</u>
<b>Diluted EPS</b>	<b>\$ 0.22</b>	<b>\$ 0.23</b>	<b>\$ 0.28</b>	<b>\$ 0.17</b>	<b>\$ 0.17</b>

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**Quarterly Consolidated Reconciliations of FFO, AFFO, EPS**  
and as adjusted amounts  
(in thousands, except per share data)

	2009		2008		
	June 30	March 31	December 31	September 30	June 30
<b>Net income</b>	<b>\$ 18,051</b>	<b>\$ 18,166</b>	<b>\$ 21,437</b>	<b>\$ 13,788</b>	<b>\$ 13,910</b>
Real estate-related depreciation and amortization	28,708	26,491	27,290	25,583	24,955
Depreciation and amortization on unconsolidated real estate entities	161	160	159	162	163
Gain on sales of operating properties, net of income taxes	—	—	—	—	(1,250)
<b>FFO</b>	<b>46,920</b>	<b>44,817</b>	<b>48,886</b>	<b>39,533</b>	<b>37,778</b>
Noncontrolling interests - preferred units in the Operating Partnership	(165)	(165)	(165)	(165)	(165)
Noncontrolling interests - other consolidated entities	25	(50)	(40)	90	(122)
Preferred share dividends	(4,026)	(4,025)	(4,026)	(4,025)	(4,026)
Depreciation and amortization allocable to noncontrolling interests in other consol. entities	(107)	(53)	(72)	(74)	(75)
Basic and diluted FFO allocable to restricted shares	(450)	(453)	(407)	(321)	(308)
<b>Basic and diluted FFO available to common share and common unit holders</b>	<b>42,197</b>	<b>40,071</b>	<b>44,176</b>	<b>35,038</b>	<b>33,082</b>

Straight line rent adjustments	(1,718)	(1,140)	(1,927)	(2,850)	(2,778)
Amortization of deferred market rental revenue	(616)	(380)	(606)	(555)	(458)
Recurring capital expenditures	(4,383)	(5,883)	(8,682)	(7,008)	(5,821)
Amortization of discount on Exchangeable Senior Notes, net of amounts capitalized	723	698	778	828	815
Gain on early extinguishment of debt	—	—	(8,101)	—	—
<b>Diluted AFFO available to common share and common unit holders</b>	<b>\$ 36,203</b>	<b>\$ 33,366</b>	<b>\$ 25,638</b>	<b>\$ 25,453</b>	<b>\$ 24,840</b>
Preferred dividends	\$ 4,026	\$ 4,025	\$ 4,026	\$ 4,025	\$ 4,026
Preferred distributions	165	165	165	165	165
Common distributions	1,894	2,085	2,946	3,021	2,772
Common dividends	21,597	20,264	19,283	19,183	16,197
<b>Total dividends/distributions</b>	<b>\$ 27,682</b>	<b>\$ 26,539</b>	<b>\$ 26,420</b>	<b>\$ 26,394</b>	<b>\$ 23,160</b>
<b>Denominator for diluted EPS</b>	<b>57,183</b>	<b>52,428</b>	<b>51,687</b>	<b>48,052</b>	<b>47,900</b>
Common units	5,483	7,253	7,993	8,130	8,151
<b>Denominator for diluted FFO per share</b>	<b>62,666</b>	<b>59,681</b>	<b>59,680</b>	<b>56,182</b>	<b>56,051</b>
<b>Diluted FFO available to common share and common unit holders</b>	<b>\$ 42,197</b>	<b>\$ 40,071</b>	<b>\$ 44,176</b>	<b>\$ 35,038</b>	<b>\$ 33,082</b>
Gain on early extinguishment of debt	—	—	(8,101)	—	—
Gain on early extinguishment of debt allocable to restricted shares	—	—	75	—	—
<b>Diluted FFO available to common share and common unit holders, excluding gain on early extinguishment of debt</b>	<b>\$ 42,197</b>	<b>\$ 40,071</b>	<b>\$ 36,150</b>	<b>\$ 35,038</b>	<b>\$ 33,082</b>
<b>Diluted FFO per share, excluding gain on early extinguishment of debt</b>	<b>\$ 0.67</b>	<b>\$ 0.67</b>	<b>\$ 0.61</b>	<b>\$ 0.62</b>	<b>\$ 0.59</b>
<b>Numerator for diluted EPS computation</b>	<b>\$ 12,371</b>	<b>\$ 11,854</b>	<b>\$ 14,617</b>	<b>\$ 8,029</b>	<b>\$ 7,970</b>
Gain on early extinguishment of debt	—	—	(8,101)	—	—
Minority interests share of gain on early extinguishment of debt	—	—	1,123	—	—
<b>Numerator for diluted EPS computation, excluding gain on early extinguishment of debt</b>	<b>\$ 12,371</b>	<b>\$ 11,854</b>	<b>\$ 7,639</b>	<b>\$ 8,029</b>	<b>\$ 7,970</b>
<b>Diluted EPS, excluding gain on early extinguishment of debt</b>	<b>\$ 0.22</b>	<b>\$ 0.23</b>	<b>\$ 0.15</b>	<b>\$ 0.17</b>	<b>\$ 0.17</b>

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**Quarterly Consolidated Reconciliations of EBITDA, NOI, Discontinued Operations,  
Gains on Sales of Real Estate and Certain Non-GAAP Measures  
(in thousands)**

	2009		2008		
	June 30	March 31	December 31	September 30	June 30
<b>Net income</b>	<b>\$ 18,051</b>	<b>\$ 18,166</b>	<b>\$ 21,437</b>	<b>\$ 13,788</b>	<b>\$ 13,910</b>
Interest expense on continuing and discontinued operations	18,678	19,424	21,290	22,503	21,172
Total income tax expense (benefit) (1)	52	70	99	97	(102)
Depreciation of FF&E	415	388	393	401	392
Real estate-related depreciation and other amortization	28,708	26,491	27,290	25,583	24,955
<b>EBITDA</b>	<b>\$ 65,904</b>	<b>\$ 64,539</b>	<b>\$ 70,509</b>	<b>\$ 62,372</b>	<b>\$ 60,327</b>
Add back:					
General and administrative	5,834	5,543	6,488	5,904	5,934
Business development	446	646	769	199	102
Depreciation of FF&E included in general and administrative expense	(415)	(388)	(393)	(401)	(392)
Income from construction contracts and other service operations	(2,163)	(1,566)	(1,293)	(2,345)	(498)
Interest and other income	(1,252)	(1,078)	(1,146)	(559)	(170)
Gain on sales of operating properties	—	—	—	—	(1,250)
Gain on early extinguishment of debt	—	—	(8,101)	—	—
Non-operational property sales and real estate services	—	—	—	(4)	(46)
Equity in loss (income) of unconsolidated entities	202	115	(20)	57	56
<b>NOI</b>	<b>\$ 68,556</b>	<b>\$ 67,811</b>	<b>\$ 66,813</b>	<b>\$ 65,223</b>	<b>\$ 64,063</b>
<b>Discontinued Operations</b>					
Revenues from real estate operations	\$ —	\$ —	\$ —	\$ 3	\$ 85
Property operating expenses	—	—	—	(12)	(11)
Depreciation and amortization	—	—	—	—	—
Income taxes	—	—	—	—	—
Interest	—	—	—	—	(10)
Gain on sales of depreciated real estate properties	—	—	—	—	1,250
<b>Discontinued operations, net</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (9)</b>	<b>\$ 1,314</b>
<b>Gain on sales of real estate, net, per statements of operations</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 4</b>	<b>\$ 41</b>
Add income taxes	—	—	—	—	5
Gain on sales of real estate from discontinued operations	—	—	—	—	1,250

<b>Gain on sales of real estate from continuing and discontinued operations</b>	—	—	—	4	1,296
Non-operational property sales and real estate services	—	—	—	(4)	(46)
<b>Gain on sales of operating properties</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,250</b>

(1) Includes income taxes from continuing operations, discontinued operations and gains on other sales of real estate (see components on page 43).

**Quarterly Equity Analysis**  
(Dollars and shares in thousands except per share data)

	2009			2008		
	June 30	March 31	December 31	September 30	June 30	
<b>Common Equity - End of Quarter</b>						
Common Shares	58,017	54,371	51,790	51,530	47,702	
Common Units	5,084	5,598	7,908	8,111	8,151	
<b>Total</b>	<b>63,101</b>	<b>59,969</b>	<b>59,698</b>	<b>59,641</b>	<b>55,853</b>	
End of Quarter Common Share Price	\$ 29.33	\$ 24.83	\$ 30.70	\$ 40.35	\$ 34.33	
<b>Market Value of Common Shares/Units</b>	<b>\$ 1,850,752</b>	<b>\$ 1,489,030</b>	<b>\$ 1,832,729</b>	<b>\$ 2,406,514</b>	<b>\$ 1,917,433</b>	
<b>Common Shares Trading Volume</b>						
Average Daily Volume (Shares)	1,520	1,571	1,289	649	438	
Average Daily Volume	\$ 44,187	\$ 39,397	\$ 35,680	\$ 24,908	\$ 16,222	
As a Percentage of Weighted Average Common Shares	2.7%	3.0%	2.5%	1.4%	0.9%	
<b>Common Share Price Range (price per share)</b>						
Quarterly High	\$ 33.14	\$ 30.92	\$ 39.84	\$ 43.50	\$ 40.00	
Quarterly Low	\$ 23.13	\$ 20.49	\$ 20.39	\$ 32.00	\$ 33.65	
Quarterly Average	\$ 29.07	\$ 25.08	\$ 27.68	\$ 38.37	\$ 37.05	
<b>Convertible Preferred Equity - End of Quarter</b>						
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	532	532	532	532	532	
Conversion Ratio	0.8163	0.8163	0.8163	0.8163	0.8163	
Common Shares Issued Assuming Conversion	434	434	434	434	434	
<b>Nonconvertible Preferred Equity - End of Quarter</b>						
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	
<b>Total Nonconvertible Preferred Equity</b>	<b>7,590</b>	<b>7,590</b>	<b>7,590</b>	<b>7,590</b>	<b>7,590</b>	
<b>Convertible Preferred Equity</b>						
Convertible Series K Shares Outstanding	884	884	884	884	884	
<b>Total Preferred Equity</b>	<b>8,474</b>	<b>8,474</b>	<b>8,474</b>	<b>8,474</b>	<b>8,474</b>	
<b>Nonconvertible Preferred Equity (\$25 par value)</b>						
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	
<b>Total Nonconvertible Preferred Equity</b>	<b>\$ 189,750</b>	<b>\$ 189,750</b>	<b>\$ 189,750</b>	<b>\$ 189,750</b>	<b>\$ 189,750</b>	
<b>Convertible Preferred Equity (\$25 par value)</b>						
Convertible Series I Units	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	
<b>Convertible Preferred Equity (\$50 par value)</b>						
Convertible Series K Shares	26,583	26,583	26,583	26,583	26,583	
<b>Total Convertible Preferred Equity</b>	<b>\$ 35,383</b>	<b>\$ 35,383</b>	<b>\$ 35,383</b>	<b>\$ 35,383</b>	<b>\$ 35,383</b>	
<b>Total Recorded Book Value of Preferred Equity</b>	<b>\$ 225,133</b>	<b>\$ 225,133</b>	<b>\$ 225,133</b>	<b>\$ 225,133</b>	<b>\$ 225,133</b>	
<b>Weighted Average Shares:</b>						
Common Shares Outstanding	56,637	51,930	51,120	47,273	47,110	
Dilutive effect of share-based compensation awards	546	498	567	779	790	
Common Units	5,483	7,253	7,993	8,130	8,151	
<b>Denominator for funds from operations per share - diluted</b>	<b>62,666</b>	<b>59,681</b>	<b>59,680</b>	<b>56,182</b>	<b>56,051</b>	
<b>Capitalization</b>						
Recorded Book Value of Preferred Shares/Units	\$ 225,133	\$ 225,133	\$ 225,133	\$ 225,133	\$ 225,133	
Market Value of Common Shares/Units	1,850,752	1,489,030	1,832,729	2,406,514	1,917,433	
<b>Total Equity Market Capitalization</b>	<b>\$ 2,075,886</b>	<b>\$ 1,714,164</b>	<b>\$ 2,057,862</b>	<b>\$ 2,631,648</b>	<b>\$ 2,142,567</b>	
<b>Total Debt</b>	<b>\$ 1,831,713</b>	<b>\$ 1,868,632</b>	<b>\$ 1,856,751</b>	<b>\$ 1,843,086</b>	<b>\$ 1,890,130</b>	
<b>Total Market Capitalization</b>	<b>\$ 3,907,599</b>	<b>\$ 3,582,796</b>	<b>\$ 3,914,613</b>	<b>\$ 4,474,734</b>	<b>\$ 4,032,697</b>	

Debt to Total Market Capitalization	46.9%	52.2%	47.4%	41.2%	46.9%
Debt to Total Assets	57.3%	59.6%	59.6%	59.4%	62.8%
Debt to Undepreciated Book Value of Real Estate Assets	55.2%	57.4%	57.8%	58.0%	60.4%

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Quarterly Debt Analysis  
(Dollars in thousands)

	2009		2008		
	June 30	March 31	December 31	September 30	June 30
<b>Debt Outstanding</b>					
Mortgage Loans	\$ 1,204,437	\$ 1,157,252	\$ 1,189,767	\$ 1,193,659	\$ 1,099,830
Construction Loans (1)	115,914	133,892	121,856	82,121	139,521
Unsecured Revolving Credit Facility (2)	357,000	424,000	392,500	380,500	465,000
Exchangeable Senior Notes	154,362	153,488	152,628	186,806	185,779
	<u>\$ 1,831,713</u>	<u>\$ 1,868,632</u>	<u>\$ 1,856,751</u>	<u>\$ 1,843,086</u>	<u>\$ 1,890,130</u>
<b>Interest Rate Data</b>					
Fixed-Mortgage Loans	\$ 933,037	\$ 935,852	\$ 968,367	\$ 972,259	\$ 1,065,330
Fixed-Exchangeable Senior Notes	154,362	153,488	152,628	186,806	185,779
Variable	474,314	459,292	485,756	534,021	489,021
Variable Subject to Interest Rate Swaps (3)	270,000	320,000	250,000	150,000	150,000
	<u>\$ 1,831,713</u>	<u>\$ 1,868,632</u>	<u>\$ 1,856,751</u>	<u>\$ 1,843,086</u>	<u>\$ 1,890,130</u>
% of Fixed Rate Loans (3)	74.11%	75.42%	73.84%	71.03%	74.13%
% of Variable Rate Loans (3)	25.89%	24.58%	26.16%	28.97%	25.87%
	<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	5.04%	5.38%	5.44%	5.50%	5.60%
Unsecured Revolving Credit Facility	2.85%	2.79%	3.89%	4.25%	4.24%
Exchangeable Senior Notes (4)	3.50%	3.50%	3.50%	3.50%	3.50%
Total Weighted Average	4.68%	4.82%	5.00%	5.11%	5.11%

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

NOI interest coverage ratio	3.88x	3.69x	3.30x	3.05x	3.16x
EBITDA interest coverage ratio	3.73x	3.51x	3.48x	2.92x	2.97x
NOI debt service coverage ratio	3.37x	3.19x	2.48x	2.63x	2.69x
EBITDA debt service coverage ratio	3.24x	3.04x	2.62x	2.52x	2.53x
NOI fixed charge coverage ratio	3.14x	3.00x	2.73x	2.55x	2.62x
EBITDA fixed charge coverage ratio	3.01x	2.86x	2.88x	2.44x	2.46x

(1) Includes \$99.2 million due under our Revolving Construction Facility at June 30, 2009. This facility provides for the borrowing of up to \$225.0 million to finance construction of the Company's wholly owned buildings.

(2) As of June 30, 2009, our borrowing capacity under the Revolving Credit Facility was \$600.0 million, of which \$243.0 million was available.

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

	Notional Amount	One-Month Libor Base	Effective Date	Expiration Date
\$	25,000	5.232%	5/1/06	5/1/09
\$	25,000	5.232%	5/1/06	5/1/09
\$	50,000	4.330%	10/23/07	10/23/09
\$	100,000	2.510%	11/3/08	12/31/09
\$	120,000	1.760%	1/2/09	5/1/2012

(4) Rate is on the stated face amount of the note.

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Debt Maturity Schedule - June 30, 2009  
(Dollars in thousands)

Year of Maturity	Non-Recourse Debt (1)			Recourse Debt (1)			Total Scheduled Payments
	Annual Amortization of Monthly Payments	Balloon Payments Due on Maturity	Weighted Average Interest Rate of Amounts Maturing (2)	Annual Amortization of Monthly Payments	Balloon Payments Due on Maturity	Weighted Average Interest Rate of Amounts Maturing (2)	
July - September	2,259	22,477	7.18%	326	750	5.95%	25,812
October - December	2,245	—	0.00%	332	—	0.00%	2,576
Total 2009	<u>\$ 4,504</u>	<u>\$ 22,477</u>	<u>7.18%</u>	<u>\$ 657</u>	<u>\$ 750</u>	<u>5.95%</u>	<u>\$ 28,388</u>
2010	(4) \$ 9,103	\$ 52,177		\$ 798	\$ 12,481		\$ 74,559
2011	(5) 7,309	102,264		805	115,914		583,292
2012	5,816	257,523		865	—		264,205
2013	2,593	134,843		930	—		138,367



<b>Common Dividend Payout Ratios</b>						
Earnings Payout	171.2%	167.2%	130.1%	233.3%	199.1%	
Diluted FFO Payout	55.7%	55.8%	50.3%	63.4%	57.3%	
Diluted AFFO Payout	64.9%	67.0%	86.7%	87.2%	76.4%	
Dividend Coverage - Diluted FFO	1.80x	1.79x	1.99x	1.58x	1.74x	
Dividend Coverage - Diluted AFFO	1.54x	1.49x	1.15x	1.15x	1.31x	
<b>Common Dividend Yields</b>						
Dividend Yield	5.08%	6.00%	4.85%	3.69%	3.96%	
<b>Series I Preferred Unit Distributions</b>						
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	
<b>Series G Preferred Share Dividends</b>						
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	
<b>Series H Preferred Share Dividends</b>						
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	
<b>Series J Preferred Share Dividends</b>						
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	
<b>Series K Preferred Share Dividends</b>						
Preferred Share Dividends Per Share	\$ 0.70000	\$ 0.70000	\$ 0.70000	\$ 0.70000	\$ 0.70000	
Preferred Share Dividend Yield	5.600%	5.600%	5.600%	5.600%	5.600%	
Quarter End Recorded Book Value	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	

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**Investor Composition and Analyst Coverage**  
(as of June 30, 2009)

SHAREHOLDER CLASSIFICATION	Common Shares	Common Units	As if Converted Preferred Shares / Units	Total	Diluted Ownership % of Total
	Insiders	1,029,052	4,212,152	—	5,241,204
Non-insiders	56,987,631	871,467	610,014	58,469,112	91.77%
	<u>58,016,683</u>	<u>5,083,619</u>	<u>610,014</u>	<u>63,710,316</u>	<u>100.00%</u>
RESEARCH COVERAGE	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Bank of America Merrill Lynch	n/a	x	x	x	x
BMO Capital Markets	x	x	x	x	x
Citigroup Global Markets	x	x	x	x	x
Friedman Billings Ramsey & Co.	x	x	x	x	x
Green Street Advisors	x	x	x	x	x
ISI Group	x	n/a	n/a	n/a	n/a
Macquarie Securities	x	x	x	n/a	n/a
Raymond James	x	x	x	x	x
RBC Capital Markets	x	x	x	x	x
Robert W. Baird & Co. Incorporated	x	x	x	x	x
Stifel, Nicolaus & Company, Incorporated	x	x	x	x	x
Wells Fargo Securities	x	x	x	x	x

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**Property Summary by Region - June 30, 2009**  
**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
	Office Properties					
	Baltimore /Washington Corridor					



1	2730 Hercules Road	BWI Airport	NBP	1990	M	240,336	
	300 Sentinel Drive (300 NBP)	BWI Airport	NBP		M		186,063
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	2720 Technology Drive (220 NBP)	BWI Airport	NBP	2004	M	156,730	
5	302 Sentinel Drive (302 NBP)	BWI Airport	NBP	2007	M	155,731	
6	2711 Technology Drive (211 NBP)	BWI Airport	NBP	2002	M	152,112	
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	117,447	
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	87,422	
17	133 National Business Parkway	BWI Airport	NBP	1997	M	87,401	
18	141 National Business Parkway	BWI Airport	NBP	1990	M	87,206	
19	131 National Business Parkway	BWI Airport	NBP	1990	M	69,021	
20	114 National Business Parkway	BWI Airport	NBP	2002	S	9,908	
21	314 Sentinel Way (314 NBP)	BWI Airport	NBP	2008	S	4,462	
						<b>2,418,217</b>	<b>186,063</b>
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	101,753	
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	84,820	
8	881 Elkridge Landing Road	BWI Airport	APS	1986	M	73,572	
9	1099 Winterson Road	BWI Airport	APS	1988	M	71,618	
10	1190 Winterson Road	BWI Airport	APS	1987	M	68,903	
11	849 International Drive	BWI Airport	APS	1988	M	68,791	
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	57,617	
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	53,218	
22	938 Elkridge Landing Road	BWI Airport	APS	1984	M	52,988	
						<b>1,631,151</b>	<b>—</b>
1	7467 Ridge Road	BWI Airport	Comm./Pkwy.	1990	M	74,325	
2	7240 Parkway Drive	BWI Airport	Comm./Pkwy.	1985	M	74,160	
3	7272 Park Circle Drive	BWI Airport	Comm./Pkwy.	1991/1996	M	59,436	
4	7318 Parkway Drive	BWI Airport	Comm./Pkwy.	1984	S	59,204	
5	7320 Parkway Drive	BWI Airport	Comm./Pkwy.	1983	S	57,928	
6	1340 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	46,400	
7	1362 Mellon Road	BWI Airport	Comm./Pkwy.	2006	M	43,295	
8	1334 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	37,739	
9	1331 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	29,153	
10	1350 Dorsey Road	BWI Airport	Comm./Pkwy.	1989	S	19,992	
11	1344 Ashton Road	BWI Airport	Comm./Pkwy.	1989	M	17,062	
12	1341 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	15,841	
13	1343 Ashton Road	BWI Airport	Comm./Pkwy.	1989	S	9,962	
14	1348 Ashton Road	BWI Airport	Comm./Pkwy.	1988	S	3,108	
						<b>547,605</b>	<b>—</b>
<b>57</b>	<b>Subtotal (continued on next page)</b>					<b>4,596,973</b>	<b>186,063</b>

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

**Property Summary by Region - June 30, 2009 (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	
<b>57</b>	<b>Subtotal (continued from prior page)</b>					<b>4,596,973</b>	<b>186,063</b>
1	5520 Research Park Drive (UMBC) (1)	BWI Airport	bwtech@UMBC	M	27,862	78,102	
2	5522 Research Park Drive (UMBC) (1)	BWI Airport	bwtech@UMBC	S	23,500		
					<b>51,362</b>	<b>78,102</b>	
1	2500 Riva Road	Annapolis		M	155,000		
1	Old Annapolis Road	Howard Co. Perimeter	Oakland Ridge	M	171,436		
1	7125 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	M	612,109		
2	7000 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	M	145,806		
3	6721 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	M	131,451		
4	6731 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	M	123,911		
5	6711 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	M	123,599		
6	6940 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	M	109,003		
7	6950 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	M	107,778		
8	7067 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	M	86,055		
9	8621 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	M	86,033		
10	6750 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	M	77,331		
11	6700 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	M	74,852		
12	6740 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	M	63,480		
13	7015 Albert Einstein Drive	Howard Co. Perimeter	Columbia Gateway	S	61,203		
14	8671 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	S	56,350		
15	6716 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	M	52,203		
16	8661 Robert Fulton Drive	Howard Co. Perimeter	Columbia Gateway	S	49,307		
17	7142 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	S	47,668		



18	7130 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1989	S	46,460	
19	6708 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1988	M	39,203	
20	7065 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	38,560	
21	7138 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	38,225	
22	7063 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	S	36,813	
23	6760 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	1991	M	36,440	
24	7150 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1991	S	35,812	
25	7061 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2000	M	29,910	
26	6724 Alexander Bell Drive	Howard Co. Perimeter	Columbia Gateway	2001	M	28,420	
27	7134 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	1990	S	21,991	
28	6741 Columbia Gateway Drive	Howard Co. Perimeter	Columbia Gateway	2008	S	4,592	
						<b>2,364,565</b>	<b>—</b>
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	62,072	
3	9140 Guilford Road	Howard Co. Perimeter	Rivers Corporate Park	1983	S	41,511	
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	
						<b>447,825</b>	<b>—</b>
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	31,556	
4	9730 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	31,012	
5	9710 Patuxent Woods Drive	Howard Co. Perimeter	Owen Brown South	1986/2001	M	15,229	
						<b>156,093</b>	<b>—</b>
1	9020 Mendenhall Court	Howard Co. Perimeter	Sieling Business Park	1982/2005	S	49,217	
<b>106</b>	<b>Total Baltimore/Washington Corridor</b>					<b>7,992,471</b>	<b>264,165</b>

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 - June 30, 2009 (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>St. Mary's &amp; King George Counties</u>							
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	
						<b>262,980</b>	<b>—</b>
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	59,483	
						<b>120,639</b>	<b>—</b>
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	
						<b>235,940</b>	<b>—</b>
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	
						<b>204,578</b>	<b>—</b>
<b>18</b>	<b>Total St. Mary's &amp; King George Counties</b>					<b>824,137</b>	<b>—</b>
<u>Northern Virginia</u>							
1	15000 Conference Center Drive	Dulles South	Westfields Corporate Center	1989	M	470,406	
2	15010 Conference Center Drive	Dulles South	Westfields Corporate Center	2006	M	223,610	
3	15059 Conference Center Drive	Dulles South	Westfields Corporate Center	2000	M	145,224	
4	15049 Conference Center Drive	Dulles South	Westfields Corporate Center	1997	M	145,053	
5	14900 Conference Center Drive	Dulles South	Westfields Corporate Center	1999	M	127,329	
6	14280 Park Meadow Drive	Dulles South	Westfields Corporate Center	1999	M	114,126	
7	4851 Stonecroft Boulevard	Dulles South	Westfields Corporate Center	2004	M	88,094	
8	14850 Conference Center Drive	Dulles South	Westfields Corporate Center	2000	M	69,711	
9	14840 Conference Center Drive	Dulles South	Westfields Corporate Center	2000	M	69,710	
						<b>1,453,263</b>	<b>—</b>
1	13200 Woodland Park Road	Herndon	Woodland Park	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	
						<b>166,361</b>	<b>—</b>
1	1751 Pinnacle Drive	Tysons Corner		1989/1995	M	260,469	
2	1753 Pinnacle Drive	Tysons Corner		1976/2004	M	186,707	
						<b>447,176</b>	<b>—</b>

1	2900 Towerview Road	Route 28 South	Renaissance Park	1982/2008	M	144,837	
<b>15</b>	<b>Total Northern Virginia</b>					<b>2,616,302</b>	<b>—</b>
<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	14303 Lake Royer Drive	Fort Ritchie		1990/2007	S	9,829	
2	304 Castle Drive	Fort Ritchie		1993/2008	S	3,014	
3	504 Greenhow Street	Fort Ritchie		2009	S	1,521	
4	14316 Lake Royer Drive	Fort Ritchie		1953	S	864	
						15,228	
<b>6</b>	<b>Total Other</b>					<b>311,070</b>	<b>—</b>

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

**Property Summary by Region - June 30, 2009 (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	418,430	
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	114,000	
	<b>Total Greater Philadelphia</b>					<b>960,349</b>	<b>—</b>
<u>Central New Jersey</u>							
1	431 Ridge Road	Exit 8A — Cranbury	Princeton Tech Cntr.	1998	S	171,200	
2	437 Ridge Road	Exit 8A — Cranbury	Princeton Tech Cntr.	1996	S	30,000	
	<b>Total Central New Jersey</b>					<b>201,200</b>	<b>—</b>
<u>San Antonio, Texas</u>							
2	8611 Military Drive	San Antonio Northwest		1982/1985	M	508,412	
3	7700-1 Potranco Road	San Antonio Northwest		2007	S	8,674	
						517,086	
1	1560 Cable Ranch Road - Building B	San Antonio Northwest	151 Technology Center	1985/2006	M	77,040	
2	1560 Cable Ranch Road - Building A	San Antonio Northwest	151 Technology Center	1985/2007	M	45,935	
						122,975	
<b>5</b>	<b>Total San Antonio, Texas</b>					<b>640,061</b>	<b>—</b>
<u>Colorado Springs, Colorado</u>							
1	655 Space Center Drive	Colorado Springs East	Patriot Park	2008	M	103,970	
2	985 Space Center Drive	Colorado Springs East	Patriot Park	1989	M	102,812	
							89,773
3	565 Space Center Drive	Colorado Springs East	Patriot Park		M		
3	745 Space Center Drive	Colorado Springs East	Patriot Park	2006	M	51,500	
4	980 Technology Court	Colorado Springs East	Patriot Park	1995	S	33,190	
5	525 Babcock Road	Colorado Springs East	Patriot Park	1967	S	14,000	
						305,472	89,773
1	1055 North Newport Road	Colorado Springs East	Aerotech Commerce Park	2007-2008	M	59,763	
1	3535 Northrop Grumman Point	Colorado Springs East	Colorado Springs Airport	2008	M	124,305	
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	10807 New Allegiance Drive	I-25 North Corridor	InterQuest Office		M	33,809	111,914
2	12515 Academy Ridge View	I-25 North Corridor	InterQuest Office		M	60,714	
3	9965 Federal Drive	I-25 North Corridor	InterQuest Office	1983/2007	M	74,749	
					S		73,940
4	9945 Federal Drive	I-25 North Corridor	InterQuest Office		S		
4	9950 Federal Drive	I-25 North Corridor	InterQuest Office	2001	S	66,222	
5	9925 Federal Drive	I-25 North Corridor	InterQuest Office		S	53,745	
6	9960 Federal Drive	I-25 North Corridor	InterQuest Office	2001	S	46,948	
						336,187	185,854
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	105,997	
						324,651	
<b>19</b>	<b>Total Colorado Springs, Colorado</b>					<b>1,293,770</b>	<b>275,627</b>

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

**Property Summary by Region - June 30, 2009 (continued)**  
**Wholly Owned Properties**



1	5020 Campbell Boulevard	White Marsh	White Marsh Business Center	1986-1988	S	44,362	
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	27,358	
						<b>136,446</b>	<b>—</b>
1	10001 Franklin Square Drive	White Marsh	White Marsh Commerce Center	1997	S	217,714	
1	8114 Sandpiper Circle	White Marsh	White Marsh Health Center	1986	S	45,008	
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	
						<b>98,072</b>	<b>—</b>
1	7939 Honeygo Boulevard	White Marsh	White Marsh Professional Center	1984	M	28,110	
2	8133 Perry Hall Boulevard	White Marsh	White Marsh Professional Center	1988	M	27,860	
3	7923 Honeygo Boulevard	White Marsh	White Marsh Professional Center	1985	M	24,054	
						<b>80,024</b>	<b>—</b>
1	8031 Corporate Drive	White Marsh		1988/2004	S	66,000	
2	8615 Ridgely's Choice Drive	White Marsh		2005	M	37,840	
3	8029 Corporate Drive	White Marsh		1988/2004	S	25,000	
						<b>128,840</b>	<b>—</b>
63	<b>Total Suburban Baltimore</b>					<b>3,206,243</b>	<b>—</b>
243	<b>TOTAL WHOLLY-OWNED PORTFOLIO</b>					<b>18,739,620</b>	<b>539,792</b>

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

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### Property Summary by Region - June 30, 2009 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	
<b>Unconsolidated Joint Venture Properties</b>							
<u>Greater Harrisburg</u>							
1	2605 Interstate Drive	East Shore	Commerce Park	1990	M	79,456	
2	2601 Market Place	East Shore	Commerce Park	1989	M	65,415	
						<b>144,871</b>	<b>—</b>
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	
						<b>409,680</b>	<b>—</b>
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	
						<b>117,212</b>	<b>—</b>
16	<b>Total Greater Harrisburg</b>					<b>671,763</b>	<b>—</b>
16	<b>Total Unconsolidated Joint Venture Properties</b>					<b>671,763</b>	<b>—</b>
<b>Consolidated Joint Venture Properties</b>							
<u>Suburban Maryland</u>							
1	5825 University Research Court	College Park	M Square Business Park	2008	M	116,083	—
	5850 University Research Court	College Park	M Square Business Park		M		123,464
						<b>116,083</b>	<b>123,464</b>
1	4230 Forbes Boulevard	Lanham	Forbes 50	2003	S	55,866	
						<b>171,949</b>	<b>123,464</b>
<u>Baltimore/Washington Corridor</u>							
	7468 Candlewood Road	BWI Airport	Baltimore Commons	1979/1982	M		356,000
1	7740 Milestone Parkway	BWI Airport	Arundel Preserve		M	8,626	139,504
						<b>8,626</b>	<b>495,504</b>
3	<b>Total Consolidated Joint Venture Properties</b>					<b>180,575</b>	<b>618,968</b>
19	<b>TOTAL JOINT VENTURE PORTFOLIO</b>					<b>852,338</b>	<b>618,968</b>

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

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**Property Occupancy Rates by Region by Quarter  
Wholly Owned Properties**

	Baltimore / Washington Corridor	Northern Virginia	Suburban Baltimore	Suburban Maryland	St. Mary's & King George Counties	Colorado Springs	San Antonio	Greater Philadelphia	Central New Jersey	Other	Total Portfolio
<b>June 30, 2009</b>											
Number of Buildings	106	15	63	5	18	19	5	4	2	6	243
Rentable Square Feet	7,992,471	2,616,302	3,206,243	694,017	824,137	1,293,770	640,061	960,349	201,200	311,070	18,739,620
Occupied %	92.99%	94.70%	82.13%	92.78%	97.52%	92.97%	100.00%	100.00%	100.00%	99.29%	92.34%
Leased %	93.54%	97.40%	83.32%	92.78%	99.12%	93.12%	100.00%	100.00%	100.00%	99.29%	93.23%
<b>March 31, 2009</b>											
Number of Buildings	105	15	63	5	18	17	5	4	2	6	240
Rentable Square Feet	7,860,050	2,616,830	3,206,204	694,017	824,137	1,189,223	640,061	960,349	201,200	311,070	18,503,141
Occupied %	93.26%	95.80%	82.67%	97.43%	95.13%	94.31%	100.00%	100.00%	100.00%	99.29%	92.85%
Leased %	93.80%	98.34%	84.38%	97.43%	97.21%	95.37%	100.00%	100.00%	100.00%	99.29%	93.89%
<b>December 31, 2008</b>											
Number of Buildings	104	15	63	5	18	17	5	4	2	5	238
Rentable Square Feet	7,834,175	2,609,030	3,207,050	690,619	824,137	1,189,232	640,061	960,349	201,200	306,090	18,461,943
Occupied %	93.35%	97.36%	83.14%	97.72%	95.17%	94.26%	100.00%	100.00%	100.00%	100.00%	93.21%
Leased %	93.74%	97.40%	85.01%	97.72%	96.07%	94.26%	100.00%	100.00%	100.00%	100.00%	93.74%
<b>September 30, 2008</b>											
Number of Buildings	103	14	63	5	18	17	5	4	2	4	235
Rentable Square Feet	7,830,380	2,471,993	3,205,153	694,476	824,137	1,189,023	600,643	960,349	201,200	305,226	18,282,580
Occupied %	92.38%	99.20%	84.28%	97.18%	93.48%	95.30%	100.00%	100.00%	100.00%	100.00%	93.17%
Leased %	93.33%	99.34%	87.81%	97.18%	95.31%	95.30%	100.00%	100.00%	100.00%	100.00%	94.29%
<b>June 30, 2008</b>											
Number of Buildings	103	14	63	5	18	16	5	4	2	4	234
Rentable Square Feet	7,824,771	2,466,923	3,205,931	690,575	824,137	1,144,724	600,643	960,349	201,200	305,226	18,224,479
Occupied %	92.48%	99.34%	85.49%	97.58%	92.98%	94.90%	100.00%	100.00%	100.00%	100.00%	93.40%
Leased %	93.35%	99.34%	87.16%	97.73%	95.26%	95.32%	100.00%	100.00%	100.00%	100.00%	94.20%

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

	Unconsolidated Greater Harrisburg	Baltimore/Wash Corridor	Consolidated Suburban Maryland	Northern Virginia	Total Portfolio
<b>June 30, 2009</b>					
Number of Buildings	16	1	2	—	19
Rentable Square Feet	671,763	8,626	171,949	—	852,338
Occupied %	86.21%	100.00%	65.62%	0.00%	82.20%
Leased %	86.21%	100.00%	65.62%	0.00%	82.20%
<b>March 31, 2009</b>					
Number of Buildings	16	1	2	—	19
Rentable Square Feet	671,759	8,626	171,949	—	852,334
Occupied %	87.06%	100.00%	65.62%	0.00%	82.86%
Leased %	87.54%	100.00%	65.62%	0.00%	82.86%
<b>December 31, 2008</b>					
Number of Buildings	16	—	2	—	18
Rentable Square Feet	671,759	—	97,366	—	769,125
Occupied %	89.38%	—	94.79%	0.00%	90.07%
Leased %	89.88%	—	94.79%	0.00%	90.50%
<b>September 30, 2008</b>					
Number of Buildings	16	—	2	1	19
Rentable Square Feet	671,759	—	97,366	78,171	847,296
Occupied %	89.90%	—	90.68%	100.00%	90.92%
Leased %	90.40%	—	94.79%	100.00%	91.79%
<b>June 30, 2008</b>					
Number of Buildings	16	—	2	1	19
Rentable Square Feet	671,759	—	97,366	78,171	847,296
Occupied %	89.88%	—	86.32%	100.00%	90.41%
Leased %	89.88%	—	86.32%	100.00%	90.41%

**Reconciliation of Wholly Owned Properties to Entire  
Portfolio as of June 30, 2008**

Count	Square Feet	Occupied %	Leased %
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Wholly Owned Properties	243	18,739,620	92.34%	93.23%
Add: Consolidated Joint Venture Properties	3	180,575	67.26%	67.26%
Subtotal	246	18,920,195	92.10%	92.99%
Add: Unconsolidated Joint Venture Properties	16	671,763	86.21%	86.21%
Entire Portfolio	262	19,591,958	91.90%	92.75%

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**Top Twenty Office Tenants of Wholly Owned Properties as of June 30, 2009 (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)	66	2,583,040	14.9%	69,134	17.3%	6.0
Northrop Grumman Corporation	(6)	15	1,135,594	6.6%	29,119	7.3%	6.9
Booz Allen Hamilton, Inc.		8	710,692	4.1%	20,968	5.2%	5.6
Computer Sciences Corporation	(6)	4	454,645	2.6%	12,371	3.1%	2.0
L-3 Communications Holdings, Inc.	(6)	5	267,354	1.5%	9,863	2.5%	4.8
Unisys Corporation	(7)	5	760,145	4.4%	9,097	2.3%	4.3
General Dynamics Corporation	(6)	10	293,329	1.7%	8,111	2.0%	1.1
Wells Fargo & Company	(6)	6	215,760	1.2%	7,583	1.9%	8.8
Aerospace Corporation	(6)	3	245,598	1.4%	7,569	1.9%	5.6
ITT Corporation	(6)	9	290,312	1.7%	6,859	1.7%	5.3
AT&T Corporation	(6)	8	306,988	1.8%	5,903	1.5%	4.0
Comcast Corporation	(6)	11	306,123	1.8%	5,854	1.5%	4.3
Integral Systems, Inc.	(6)	4	240,846	1.4%	5,675	1.4%	10.5
The Boeing Company	(6)	4	143,480	0.8%	4,394	1.1%	4.2
Ciena Corporation		4	229,848	1.3%	4,346	1.1%	3.9
The Johns Hopkins Institutions	(6)	4	128,827	0.7%	3,205	0.8%	7.3
BAE Systems PLC	(6)	7	212,339	1.2%	3,201	0.8%	3.4
Science Applications International Corp.	(6)	9	137,142	0.8%	3,127	0.8%	0.4
Merck & Co., Inc. (Unisys)	(6) (7)	2	225,900	1.3%	2,722	0.7%	3.1
Magellan Health Services, Inc.		2	113,727	0.7%	2,681	0.7%	2.1
<b>Subtotal Top 20 Office Tenants</b>		<b>186</b>	<b>9,001,689</b>	<b>52.0%</b>	<b>221,781</b>	<b>55.4%</b>	<b>5.4</b>
All remaining tenants		777	8,302,030	48.0%	178,214	44.6%	3.7
Total/Weighted Average		963	17,303,719	100.0%	\$399,995	100.0%	4.7

- Table excludes owner occupied leasing activity which represents 155,433 square feet with a weighted average remaining lease term of 6.1 years as of June 30, 2009.
- Total Annualized Rental Revenue is the monthly contractual base rent as of June 30, 2009, multiplied by 12, plus the estimated annualized expense reimbursements under existing office leases.
- Order of tenants is based on Annualized Rent.
- The weighting of the lease term was computed using Total Rental Revenue.
- 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.
- Includes affiliated organizations or agencies.
- 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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**Real Estate Revenues from Continuing and Discontinued Operations**  
(Dollars in thousands)

	For the Six Months Ended June 30,	
	2009	2008
<b>Office Properties:</b>		
Baltimore/Washington Corridor	\$ 99,123	\$ 92,003
Northern Virginia	41,570	37,931
Suburban Baltimore	27,621	27,412
Suburban Maryland	10,216	9,491
Colorado Springs	10,681	8,863
St. Mary's and King George Counties	6,888	6,294
San Antonio	6,492	3,907
Greater Philadelphia	5,013	5,012
Central New Jersey	1,222	1,338
Other	5,595	4,834
Subtotal	214,421	197,085
Eliminations / other	(1,859)	(1,782)
<b>Real estate revenues from cont. and discont. operations</b>	<b>\$ 212,562</b>	<b>\$ 195,303</b>

**NOI by Geographic Region**  
(Dollars in thousands)

	For the Six Months Ended June 30,	
	2009	2008
<b>Office Properties:</b>		
Baltimore/Washington Corridor	\$ 62,987	\$ 60,102
Northern Virginia	26,198	23,692
Suburban Baltimore	15,101	15,398
Suburban Maryland	6,127	6,240
Colorado Springs	7,650	5,543
St. Mary's and King George Counties	5,224	4,805
San Antonio	4,692	3,031
Greater Philadelphia	4,914	4,908
Central New Jersey	1,139	1,091
Other	3,897	3,181
Subtotal	137,929	127,991
Eliminations / other	(1,562)	(1,385)
<b>NOI</b>	<b>\$ 136,367</b>	<b>\$ 126,606</b>

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**Real Estate Revenues from Continuing and Discontinued Operations  
by Quarter  
(Dollars in thousands)**

	2009		2008		
	June 30	March 31	December 31	September 30	June 30
<b>Office Properties:</b>					
Baltimore/Washington Corridor	\$ 49,531	\$ 49,592	\$ 48,317	\$ 46,139	\$ 46,426
Northern Virginia	19,211	22,359	19,563	19,523	18,927
Suburban Baltimore	13,793	13,828	13,475	13,912	13,502
Suburban Maryland	5,179	5,037	4,889	4,966	4,907
Colorado Springs	5,803	4,878	5,897	5,612	4,691
St. Mary's and King George Counties	3,478	3,410	3,317	3,328	3,134
San Antonio	3,547	2,945	2,763	2,641	1,999
Greater Philadelphia	2,507	2,506	2,506	2,507	2,506
Central New Jersey	601	621	638	591	586
Other	2,897	2,698	3,099	2,775	2,257
Subtotal	106,547	107,874	104,464	101,994	98,935
Eliminations / other	(829)	(1,030)	(865)	(905)	(904)
<b>Real estate revenues from cont. and discont. operations</b>	<b>\$ 105,718</b>	<b>\$ 106,844</b>	<b>\$ 103,599</b>	<b>\$ 101,089</b>	<b>\$ 98,031</b>

**NOI by Geographic Region by Quarter  
(Dollars in thousands)**

	2009		2008		
	June 30	March 31	December 31	September 30	June 30
<b>Office Properties:</b>					
Baltimore/Washington Corridor	\$ 32,037	\$ 30,950	\$ 31,208	\$ 29,676	\$ 30,740
Northern Virginia	11,701	14,497	11,801	12,005	11,672
Suburban Baltimore	7,975	7,126	7,503	7,918	7,811
Suburban Maryland	3,149	2,978	3,036	2,968	3,320
Colorado Springs	4,085	3,565	3,791	3,753	2,953
St. Mary's and King George Counties	2,686	2,538	2,417	2,471	2,387
San Antonio	2,584	2,108	1,909	1,945	1,556
Greater Philadelphia	2,506	2,408	2,451	2,464	2,466
Central New Jersey	554	585	599	533	548
Other	2,024	1,873	2,299	2,039	1,343
Subtotal	69,301	68,628	67,014	65,772	64,796
Eliminations / other	(745)	(817)	(201)	(549)	(733)
<b>NOI</b>	<b>\$ 68,556</b>	<b>\$ 67,811</b>	<b>\$ 66,813</b>	<b>\$ 65,223</b>	<b>\$ 64,063</b>

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**Same Office Property Cash NOI by Year to Date Period  
(Dollars in thousands)**

	Six Months Ended June 30,	
	2009	2008
<b>Office Properties: (1)</b>		

Baltimore/Washington Corridor	\$	60,096	\$	57,331
Northern Virginia		26,491		22,364
Suburban Baltimore		14,196		14,337
Suburban Maryland		5,605		5,433
Colorado Springs		4,570		4,463
St. Mary's and King George Counties		5,029		4,712
San Antonio		180		64
Greater Philadelphia		5,466		5,353
Central New Jersey		1,136		1,082
Other		3,762		3,223
<b>Total Office Properties</b>	<b>\$</b>	<b>126,531</b>	<b>\$</b>	<b>118,362</b>
Less: Lease termination fees, gross		(4,218)		(158)
<b>Same office property cash NOI, excluding gross lease termination fees</b>	<b>\$</b>	<b>122,313</b>	<b>\$</b>	<b>118,204</b>

**Same Office Property GAAP NOI by Year**  
(Dollars in thousands)

	Six Months Ended June 30,			
	2009	2008		
<b>Office Properties: (1)</b>				
Baltimore/Washington Corridor	\$	60,797	\$	59,427
Northern Virginia		25,981		23,212
Suburban Baltimore		15,220		15,309
Suburban Maryland		5,894		5,883
Colorado Springs		4,716		4,673
St. Mary's and King George Counties		5,228		4,808
San Antonio		194		81
Greater Philadelphia		4,919		4,915
Central New Jersey		1,147		1,119
Other		4,319		3,791
<b>Total Office Properties</b>	<b>\$</b>	<b>128,415</b>	<b>\$</b>	<b>123,218</b>
<b>GAAP net operating income for same office properties</b>	<b>\$</b>	<b>128,415</b>	<b>\$</b>	<b>123,218</b>
Less: Straight-line rent adjustments		(1,229)		(4,123)
Less: Amortization of deferred market rental revenue		(655)		(733)
<b>Same office property cash NOI</b>	<b>\$</b>	<b>126,531</b>	<b>\$</b>	<b>118,362</b>
Less: Lease termination fees, gross		(4,218)		(158)
<b>Same office property cash NOI, excluding gross lease termination fees</b>	<b>\$</b>	<b>122,313</b>	<b>\$</b>	<b>118,204</b>

(1) Same office properties represent buildings owned and 100% operational since January 1, 2008. Amounts reported do not include the effects of eliminations.

**Same Office Property Cash NOI by Quarter**  
(Dollars in thousands)

	2009		2008							
	June 30	March 31	December 31	September 30	June 30					
<b>Office Properties: (1)</b>										
Baltimore/Washington Corridor	\$	31,031	\$	30,375	\$	30,465	\$	28,853	\$	29,739
Northern Virginia		11,440		15,051		11,468		11,235		11,055
Suburban Baltimore		7,587		6,608		7,187		7,344		7,271
Suburban Maryland		2,896		2,709		2,652		2,852		2,754
Colorado Springs		2,786		2,720		2,534		2,660		2,515
St. Mary's and King George Counties		2,556		2,474		2,329		2,400		2,352
San Antonio		155		26		25		27		22
Greater Philadelphia		2,783		2,683		2,725		2,739		2,688
Central New Jersey		553		583		595		525		535
Other		1,895		1,853		2,090		1,895		1,489
<b>Total Office Properties</b>	<b>\$</b>	<b>63,682</b>	<b>\$</b>	<b>65,082</b>	<b>\$</b>	<b>62,070</b>	<b>\$</b>	<b>60,530</b>	<b>\$</b>	<b>60,420</b>
Less: Lease termination fees, gross		(558)		(3,660)		(201)		(209)		(59)
<b>Same Office Property Cash NOI, excluding gross lease termination fees</b>	<b>\$</b>	<b>63,124</b>	<b>\$</b>	<b>61,422</b>	<b>\$</b>	<b>61,869</b>	<b>\$</b>	<b>60,321</b>	<b>\$</b>	<b>60,361</b>

**Same Office Property GAAP NOI by Quarter**  
(Dollars in thousands)

	2009		2008							
	June 30	March 31	December 31	September 30	June 30					
<b>Office Properties: (1)</b>										
Baltimore/Washington Corridor	\$	31,311	\$	30,863	\$	31,391	\$	29,690	\$	30,808
Northern Virginia		11,579		14,401		11,594		11,811		11,418



Suburban Baltimore	8,032	7,188	7,533	7,964	7,779
Suburban Maryland	3,034	2,861	2,835	3,037	2,963
Colorado Springs	2,923	2,784	2,610	2,750	2,638
St. Mary's and King George Counties	2,688	2,539	2,418	2,472	2,388
San Antonio	162	32	31	34	31
Greater Philadelphia	2,510	2,410	2,452	2,465	2,469
Central New Jersey	558	589	600	539	554
Other	2,191	2,128	2,463	2,235	1,748
<b>Total Office Properties</b>	<b>\$ 64,988</b>	<b>\$ 65,795</b>	<b>\$ 63,927</b>	<b>\$ 62,997</b>	<b>\$ 62,796</b>
<b>GAAP net operating income for same office properties</b>	<b>\$ 64,988</b>	<b>\$ 65,795</b>	<b>\$ 63,927</b>	<b>\$ 62,997</b>	<b>\$ 62,796</b>
Less: Straight-line rent adjustments	(860)	(504)	(1,421)	(2,083)	(2,014)
Less: Amortization of deferred market rental revenue	(446)	(209)	(436)	(384)	(362)
<b>Same office property cash NOI</b>	<b>\$ 63,682</b>	<b>\$ 65,082</b>	<b>\$ 62,070</b>	<b>\$ 60,530</b>	<b>\$ 60,420</b>
Less: Lease termination fees, gross	(558)	(3,660)	(201)	(209)	(59)
<b>Same office property cash NOI, excluding gross lease termination fees</b>	<b>\$ 63,124</b>	<b>\$ 61,422</b>	<b>\$ 61,869</b>	<b>\$ 60,321</b>	<b>\$ 60,361</b>

(1) Same office properties represent buildings owned and 100% operational for a minimum of five reporting quarters. Amounts reported do not include the effects of eliminations.

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#### Average Occupancy Rates by Region for Same Office Properties for Quarter (1)

	Baltimore / Washington Corridor	Northern Virginia	Suburban Baltimore	Suburban Maryland	St.Mary's and King George Counties	Colorado Springs	San Antonio	Greater Philadelphia	Central New Jersey	Other	Total Office
<b>2nd Quarter 2009 Average</b>											
Number of Buildings	102	14	63	6	18	14	1	4	2	4	228
Rentable Square Feet	7,823,805	2,471,817	3,206,205	749,883	824,137	917,227	8,674	960,349	201,200	308,685	17,471,982
Percent Occupied	92.64%	97.64%	82.53%	95.51%	97.21%	92.85%	100.00%	100.00%	100.00%	99.28%	92.45%
<b>1st Quarter 2009 Average</b>											
Number of Buildings	102	14	63	6	18	14	1	4	2	4	228
Rentable Square Feet	7,824,201	2,471,993	3,206,596	747,618	824,137	917,227	8,674	960,349	201,200	306,793	17,468,788
Percent Occupied	93.31%	98.25%	82.85%	97.13%	95.15%	92.62%	100.00%	100.00%	100.00%	99.72%	92.86%
<b>4th Quarter 2008 Average</b>											
Number of Buildings	102	14	63	6	18	14	1	4	2	4	228
Rentable Square Feet	7,825,205	2,471,993	3,206,476	746,456	824,137	917,236	8,674	960,349	201,200	305,226	17,466,952
Percent Occupied	93.28%	99.60%	82.64%	97.09%	94.41%	93.30%	100.00%	100.00%	100.00%	100.00%	93.00%
<b>3rd Quarter 2008 Average</b>											
Number of Buildings	102	14	63	6	18	14	1	4	2	4	228
Rentable Square Feet	7,823,402	2,470,303	3,206,439	747,741	824,137	916,642	8,674	960,349	201,200	305,226	17,464,113
Percent Occupied	92.34%	99.29%	84.98%	96.23%	93.78%	94.01%	100.00%	100.00%	100.00%	100.00%	92.94%
<b>2nd Quarter 2008 Average</b>											
Number of Buildings	102	14	63	6	18	14	1	4	2	4	228
Rentable Square Feet	7,821,082	2,466,923	3,213,666	746,441	824,319	916,449	8,674	960,349	201,200	305,226	17,464,329
Percent Occupied	91.92%	99.34%	84.80%	95.98%	92.83%	93.54%	100.00%	100.00%	100.00%	100.00%	92.64%

(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 As of June 30, 2009 (1)

Year and Region of Lease Expiration (2)	Number of Leases Expiring	Square Footage of Leases Expiring	Percentage of Annual Occupied Square Feet	Percentage of Total Occupied Square Feet	Total Annualized Rental Revenue of Expiring Leases (3) (000's)	Percentage of Total Annualized Rental Revenue Expiring	Total Annual. Rental Revenue of Expiring Leases per Occupied Square Foot
Baltimore/Washington Corridor	52	882,469	48.3 %	5.1%	\$ 16,574	4.1 %	\$ 18.78
Northern Virginia	7	145,356	8.0 %	0.8%	4,057	1.0 %	27.91
Suburban Baltimore	33	237,583	13.0 %	1.4%	4,779	1.2 %	20.12
Suburban Maryland	4	57,482	3.1 %	0.3%	1,885	0.5 %	32.79
St. Mary's and King George Cos.	6	97,458	5.3 %	0.6%	1,451	0.4 %	14.88
Greater Philadelphia	1	292,793	16.0 %	1.7%	2,986	0.7 %	10.20
Colorado Springs	8	114,107	6.2 %	0.7%	2,314	0.6 %	20.28
Other	1	864	0.0 %	0.0%	4	0.0 %	4.75
<b>2009</b>	<b>112</b>	<b>1,828,112</b>	<b>100.0 %</b>	<b>10.6 %</b>	<b>34,051</b>	<b>8.5 %</b>	<b>18.63</b>
Baltimore/Washington Corridor	72	949,916	39.4 %	5.5%	23,574	5.9 %	24.82
Northern Virginia	20	587,993	24.4 %	3.4%	15,314	3.8 %	26.05
Suburban Baltimore	59	239,719	10.0 %	1.4%	5,471	1.4 %	22.82
Suburban Maryland	4	184,522	7.7 %	1.1%	3,685	0.9 %	19.97

St. Mary's and King George Cos.	11	176,877	7.3 %	1.0%	2,886	0.7%	16.32
Greater Philadelphia	1	239,637	9.9%	1.4%	2,444	0.6%	10.20
Colorado Springs	5	22,160	0.9%	0.1%	478	0.1%	21.59
Other	3	7,612	0.3%	0.0%	128	0.0%	16.82
<b>2010</b>	<b>175</b>	<b>2,408,436</b>	<b>100.0 %</b>	<b>13.9%</b>	<b>53,982</b>	<b>13.5 %</b>	<b>22.41</b>
Baltimore/Washington Corridor	54	905,601	50.0 %	5.2%	20,207	5.1%	22.31
Northern Virginia	10	89,964	5.0%	0.5%	2,865	0.7%	31.84
Suburban Baltimore	73	496,756	27.4 %	2.9%	10,342	2.6%	20.82
Suburban Maryland	8	51,605	2.8%	0.3%	1,501	0.4%	29.08
St. Mary's and King George Cos.	8	73,571	4.1%	0.4%	1,222	0.3%	16.60
Colorado Springs	9	195,451	10.8 %	1.1%	3,463	0.9%	17.72
<b>2011</b>	<b>162</b>	<b>1,812,948</b>	<b>100.0 %</b>	<b>10.5%</b>	<b>39,600</b>	<b>9.9 %</b>	<b>21.84</b>
Baltimore/Washington Corridor	45	1,182,247	44.1 %	6.8%	30,754	7.7%	26.01
Northern Virginia	17	129,475	4.8%	0.7%	3,940	1.0%	30.43
Suburban Baltimore	52	671,932	25.1 %	3.9%	12,607	3.2%	18.76
Suburban Maryland	4	42,511	1.6%	0.2%	1,110	0.3%	26.12
St. Mary's and King George Cos.	10	280,709	10.5 %	1.6%	5,097	1.3%	18.16
Greater Philadelphia	1	219,065	8.2%	1.3%	2,565	0.6%	11.71
Colorado Springs	8	76,488	2.9%	0.4%	1,628	0.4%	21.28
San Antonio	2	78,359	2.9%	0.5%	1,419	0.4%	18.11
Other	1	1,521	0.1%	0.0%	23	0.0%	15.00
<b>2012</b>	<b>140</b>	<b>2,682,307</b>	<b>100.0 %</b>	<b>15.5%</b>	<b>59,143</b>	<b>14.8 %</b>	<b>22.05</b>
Baltimore/Washington Corridor	54	1,110,270	60.3 %	6.4%	32,472	8.1%	29.25
Northern Virginia	7	104,339	5.7%	0.6%	3,024	0.8%	28.99
Suburban Baltimore	36	403,926	21.9 %	2.3%	7,415	1.9%	18.36
Suburban Maryland	2	7,066	0.4%	0.0%	204	0.1%	28.87
St. Mary's and King George Cos.	8	106,330	5.8%	0.6%	1,743	0.4%	16.39
Colorado Springs	4	105,491	5.7%	0.6%	2,221	0.6%	21.05
Other	1	3,014	0.2%	0.0%	—	0.0%	0.00
<b>2013</b>	<b>112</b>	<b>1,840,436</b>	<b>100.0 %</b>	<b>10.6%</b>	<b>47,079</b>	<b>11.8 %</b>	<b>25.58</b>
Baltimore/Washington Corridor	96	2,384,357	35.7 %	13.8%	65,383	16.3%	27.42
Northern Virginia	28	1,416,378	21.2 %	8.2%	44,721	11.2%	31.57
Suburban Baltimore	63	563,301	8.4%	3.3%	11,060	2.8%	19.63
Suburban Maryland	15	300,734	4.5%	1.7%	6,738	1.7%	22.40
St. Mary's and King George Cos.	12	62,871	0.9%	0.4%	1,314	0.3%	20.91
Greater Philadelphia	2	208,854	3.1%	1.2%	3,129	0.8%	14.98
Colorado Springs	16	683,746	10.2 %	4.0%	12,185	3.0%	17.82
San Antonio	4	561,702	8.4%	3.2%	9,964	2.5%	17.74
Central New Jersey	2	201,200	3.0%	1.2%	2,340	0.6%	11.63
Other	2	295,842	4.4%	1.7%	8,687	2.2%	29.36
<b>Thereafter</b>	<b>240</b>	<b>6,678,985</b>	<b>100.0 %</b>	<b>38.6%</b>	<b>165,521</b>	<b>41.4 %</b>	<b>24.78</b>
Other (4)	22	52,495	100.0 %	0.3%	692	0.2%	13.18
<b>Total / Average</b>	<b>963</b>	<b>17,303,719</b>	<b>100.0 %</b>	<b>\$ 400,066</b>	<b>100.0 %</b>	<b>\$ 23.12</b>	

NOTE: As of June 30, 2009, the weighted average lease term for the wholly owned properties is 4.7 years.

- (1) This expiration analysis includes the effect of early renewals completed on existing leases but excludes the effect of new tenant leases on 168,039 square feet yet to commence as of June 30, 2009.
- (2) Many of our government leases are subject to certain early termination provisions which are customary to government leases. The year of lease expiration was computed assuming no exercise of such early termination rights.
- (3) Total Annualized Rental Revenue is the monthly contractual base rent as of June 30, 2009 multiplied by 12 plus the estimated annualized expense reimbursements under existing office leases.
- (4) 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.

#### Quarterly Office Renewal Analysis for Wholly Owned Properties as of June 30, 2009

	Baltimore/ Washington Corridor	Northern Virginia	Suburban Baltimore	Suburban Maryland	St. Mary's and King George Counties	Colorado Springs	Other	Total Office
<b>Quarter Ended June 30, 2009:</b>								
Expiring Square Feet	369,803	48,747	102,807	110,299	34,562	48,681	—	<b>714,899</b>
Vacated Square Feet	68,522	37,795	70,103	36,143	3,506	—	—	<b>216,069</b>
Renewed Square Feet	301,281	10,952	32,704	74,156	31,056	48,681	—	<b>498,830</b>
Retention Rate (% based upon square feet)	81.47%	22.47%	31.81%	67.23%	89.86%	100.00%	0.00%	<b>69.78%</b>
<i>Renewed Space Only:</i>								
Average Committed Cost per Square Foot	\$ 8.41	\$ 17.23	\$ 3.63	\$ 3.62	\$ 23.39	\$ 17.69	\$ —	<b>\$ 9.42</b>
Weighted Average Lease Term in years	3.3	5.0	2.9	5.0	5.0	6.0	—	<b>3.9</b>
Change in Total Rent - GAAP	10.41%	71.54%	-5.36%	4.93%	31.39%	11.99%	0.00%	<b>10.65%</b>
Change in Total Rent - Cash	-0.35%	30.40%	-15.09%	-3.95%	16.21%	2.10%	0.00%	<b>-0.23%</b>
<i>Renewed &amp; Retenanted Space:</i>								
Average Committed Cost per Square Foot	\$ 9.28	\$ 16.41	\$ 8.96	\$ 3.62	\$ 24.47	\$ 17.69	\$ —	<b>\$ 10.79</b>

Weighted Average Lease Term in years	3.3	4.1	4.5	5.0	5.0	6.0	—	4.0
Change in Total Rent - GAAP	8.48%	-6.92%	8.82%	4.93%	21.93%	11.99%	—	7.89%
Change in Total Rent - Cash	-1.08%	-14.75%	-20.18%	-3.95%	6.14%	2.10%	0.00%	-3.72%
<b>Six Months Ended June 30, 2009:</b>								
Expiring Square Feet	628,666	52,965	180,896	113,224	63,494	66,519	1,466	1,107,230
Vacated Square Feet	89,358	37,795	110,324	36,143	11,452	—	—	285,072
Renewed Square Feet	539,308	15,170	70,572	77,081	52,042	66,519	1,466	822,158
Retention Rate (% based upon square feet)	85.79%	28.64%	39.01%	68.08%	81.96%	100.00%	100.00%	74.25%
<i>Renewed Space Only:</i>								
Average Committed Cost per Square Foot	\$ 5.88	\$ 13.26	\$ 3.66	\$ 3.66	\$ 14.99	\$ 14.01	\$ —	\$ 6.84
Weighted Average Lease Term in years	3.2	4.4	3.8	4.9	3.7	5.9	—	3.7
Change in Total Rent - GAAP	9.41%	35.25%	-6.29%	4.79%	19.71%	12.93%	32.72%	8.88%
Change in Total Rent - Cash	1.36%	11.93%	-13.85%	-3.67%	10.97%	1.50%	32.72%	0.38%
<i>Renewed &amp; Retenanted Space:</i>								
Average Committed Cost per Square Foot	\$ 7.11	\$ 15.23	\$ 10.18	\$ 3.66	\$ 15.89	\$ 12.28	\$ —	\$ 8.71
Weighted Average Lease Term in years	3.3	4.0	4.6	4.9	4.3	5.8	—	3.9
Change in Total Rent - GAAP	8.54%	-7.55%	3.50%	4.79%	12.17%	10.96%	32.72%	6.36%
Change in Total Rent - Cash	1.01%	-15.05%	-19.60%	-3.67%	-2.77%	1.16%	32.72%	-2.90%

Notes: No renewal or retreating activity transpired in our San Antonio, Central New Jersey or Greater Philadelphia regions. Activity is exclusive of owner occupied space and leases with less than a one-year term. Expiring square feet includes early renewals and excludes leases terminated greater than 12 months prior to lease expiration.

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**Year to Date Wholly Owned Acquisition Summary as of June 30, 2009 (1)**  
(Dollars in thousands)

	Submarket	Acquisition Date	Building Count	Square Feet at 6/30/09	Occupancy Percentage at Acquisition	Contractual Purchase Price
12515 Academy Ridge	Colorado Springs Northeast	6/26/2009	1	60,714	100.0%	\$ 12,500
<b>Total</b>			<b>1</b>	<b>60,714</b>		<b>\$ 12,500</b>

(1) Includes operational buildings only.

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**Development Summary as of June 30, 2009**  
(Dollars in thousands)

Property and Location	Submarket	Wholly Owned or Joint Venture (JV)	Total Rentable Square Feet	Percentage Leased	Anticipated Total Cost (1)	Cost to date	Outstanding Loan	Actual or Anticipated Construction Completion Date (2)	Anticipated Operational Date (3)
<b>Under Construction</b>									
5850 University Research Court College Park, Maryland	College Park	JV	123,464	100%	\$ 25,702	\$ 21,343	—	4Q 09	1Q 10
324 Sentinel Way (324 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	125,129	0%	27,732	11,224	—	1Q 10	3Q 10
8000 Potranco Road San Antonio, Texas	San Antonio Northwest	Owned	125,005	0%	24,099	9,407	—	2Q 10	4Q 10
8030 Potranco Road San Antonio, Texas	San Antonio Northwest	Owned	125,005	0%	24,099	10,814	—	2Q 10	4Q 10
<b>Subtotal Government</b>			<b>498,603</b>	<b>25%</b>	<b>\$ 101,631</b>	<b>\$ 52,788</b>	<b>\$ —</b>		
<b>% of Total Drivers</b>			<b>38%</b>						
10807 New Allegiance Drive (Epic One) Colorado Springs, Colorado	I-25 North Corridor	Owned	145,723	23%	30,918	24,530	17,491	2Q 09	2Q 10
300 Sentinel Drive (300 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	186,063	39%	50,078	39,619	21,162	2Q 09	2Q 10

565 Space Center Drive (Patriot Park 7) Colorado Springs, Colorado	Colorado Springs East	Owned	89,773	0%	17,236	12,427	8,544	2Q 09	2Q 10
209 Research Boulevard Aberdeen, Maryland	Harford County	Owned	78,220	69%	18,351	3,100	—	2Q 10	2Q 11
<b>Subtotal Defense Information Technology</b>			<b>499,779</b>	<b>21%</b>	<b>\$ 116,583</b>	<b>\$ 79,676</b>	<b>\$ 47,197</b>		
<b>% of Total Drivers</b>			<b>38%</b>						
7740 Milestone Parkway Hanover, Maryland	(4) BWI Airport	JV	148,130	6%	\$ 35,478	\$ 28,719	16,753	3Q 08	3Q 09
9945 Federal Drive (Hybrid I) Colorado Springs, Colorado	I-25 North Corridor	Owned	73,940	0%	12,329	8,637	5,797	3Q 08	3Q 09
<b>Subtotal Market Demand</b>			<b>222,070</b>	<b>4%</b>	<b>\$ 47,807</b>	<b>\$ 37,356</b>	<b>\$ 22,550</b>		
<b>% of Total Drivers</b>			<b>17%</b>						
5520 Research Park Drive (UMBC) Baltimore, Maryland	BWI Airport	Land Lease	105,964	26%	21,156	17,714	13,906	3Q 08	3Q 09
<b>Subtotal Research Park</b>			<b>105,964</b>	<b>26%</b>	<b>\$ 21,156</b>	<b>\$ 17,714</b>	<b>\$ 13,906</b>		
<b>% of Total Drivers</b>			<b>8%</b>						
<b>Total Under Construction</b>			<b>1,326,416</b>	<b>24%</b>	<b>\$ 287,177</b>	<b>\$ 187,534</b>	<b>\$ 83,653</b>		

Regions	% of Total Regions	Total Rentable Square Feet	Percentage Leased
Baltimore/Washington Corridor	43%	565,286	19%
Suburban Maryland	15%	201,684	88%
Colorado Springs	23%	309,436	11%
San Antonio	19%	250,010	0%
<b>Total Under Construction by Region</b>	<b>100%</b>	<b>1,326,416</b>	<b>24%</b>

(1) Anticipated Total Cost includes land, construction and leasing costs.

(2) Actual or anticipated construction completion date is the estimated date of completion of the building shell.

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

(4) Although classified as "Under Construction," 8,626 square feet are operational.

(5) Although classified as "Under Construction," 43,721 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.

#### Development Summary as of June 30, 2009 (continued) (Dollars in thousands)

Property and Location	Submarket	Wholly Owned or Joint Venture (JV)	Total Rentable Square Feet	Percentage Leased	Anticipated Total Cost (1)	Cost to date	Actual or Anticipated Construction Completion Date (2)	Anticipated Operational Date (3)
<b>Redevelopment</b>								
7468 Candlewood Road Hanover, Maryland	BWI Airport	JV	356,000	0%	\$ 43,554	\$ 28,498	3Q 10	3Q 11
<b>Total Redevelopment</b>			<b>356,000</b>	<b>0%</b>	<b>\$ 43,554</b>	<b>\$ 28,498</b>		
<b>Under Development</b>								
316 Sentinel Way (316 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	125,000		\$ 26,500	\$ 3,297	4Q 10	4Q 11
Riverwood I & II Columbia, Maryland	Howard Co. Perimeter	Owned	70,000		\$ 17,100	\$ 2,246	2Q 11	2Q 12
<b>Subtotal Government</b>			<b>195,000</b>		<b>\$ 43,600</b>	<b>\$ 5,543</b>		
<b>% of Total Drivers</b>			<b>26%</b>					
308 Sentinel Drive (308 NBP) Annapolis Junction, Maryland	BWI Airport	Owned	150,843		\$ 35,700	\$ 4,853	4Q 10	4Q 11
North Gate Business Park (Lot C) Aberdeen, Maryland	Harford County	Owned	78,650		19,000	1,989	3Q 10	3Q 11
North Gate Business Park (Lot E) Aberdeen, Maryland	Harford County	Owned	120,000		27,500	1,584	1Q 11	1Q 12
Military Drive Business Park (Bldg A) San Antonio, Texas	San Antonio Northwest	Owned	85,000		14,875	1,767	4Q 10	4Q 11
430 National Business Parkway Annapolis Junction, Maryland	BWI Airport	Owned	110,000		27,500	3,700	1Q 11	1Q 12

Subtotal Defense Information Technology	544,493	\$ 124,575	\$ 13,893
% of Total Drivers	74%		
<b>Total Under Development</b>	<b>739,493</b>	<b>\$ 168,175</b>	<b>\$ 19,436</b>

  

Regions	% of Total Regions	Total Rentable Square Feet
Baltimore/Washington Corridor	62%	455,843
Suburban Maryland	27%	198,650
San Antonio	11%	85,000
<b>Total Under Development by Region</b>	<b>100%</b>	<b>739,493</b>

(1) Anticipated Total Cost includes land, construction and leasing costs.

(2) Actual or anticipated construction completion date is the estimated date of completion of the building shell.

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

**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.

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**Total Development Placed into Service as of June 30, 2009**  
(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
				Year 2008	Year 2009				
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
5825 University Research Court College Park, Maryland	College Park	JV	116,083	41,500	74,583	—	—	—	53%
7740 Milestone Parkway Hanover, Maryland	BWI Airport	JV	148,130	—	8,626	—	—	—	100%
6721 Columbia Gateway Drive Columbia, Maryland	Howard Co. Perimeter	Owned	131,451	—	—	131,451	—	—	100%
10807 New Allegiance Drive (Epic One) Colorado Springs, Colorado	I-25 North Corridor	Owned	145,723	—	—	33,809	—	—	100%
9925 Federal Drive Colorado Springs, Colorado	I-25 North Corridor	Owned	53,745	43,721	—	10,024	—	—	91%
<b>Total Development Placed Into Service</b>			<b>595,132</b>	<b>85,221</b>	<b>83,209</b>	<b>175,284</b>	<b>—</b>	<b>—</b>	<b>83%</b>

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**Land Inventory as of June 30, 2009**

Location	Submarket	Status	Non-Wholly Owned		Wholly Owned	
			Acres	Developable Square Feet	Acres	Developable Square Feet
National Business Park (Phase II)	BWI Airport	owned	—	—	16	345,000
National Business Park (Phase III)	BWI Airport	owned	—	—	173	1,367,000
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	1,651,870	—	—
1460 Dorsey Road	BWI Airport	owned	—	—	6	60,000
Columbia Gateway Parcel T-11	Howard Co. Perimeter	owned	—	—	14	220,000
7125 Columbia Gateway Drive	Howard Co. Perimeter	owned	—	—	5	120,000
<b>Total Baltimore / Washington Corridor</b>			<b>56</b>	<b>1,651,870</b>	<b>219</b>	<b>2,195,941</b>
Westfields Corporate Center	Dulles South	owned	—	—	23	400,460
Westfields - Park Center	Dulles South	owned	—	—	33	674,163
Woodland Park	Herndon	owned	—	—	5	225,000
<b>Total Northern Virginia</b>			<b>—</b>	<b>—</b>	<b>61</b>	<b>1,299,623</b>
White Marsh	White Marsh	owned	—	—	152	1,692,000
37 Allegheny Avenue	Towson	owned	—	—	0.3	40,000
North Gate Business Park	Harford County	owned	—	—	39	500,500
<b>Total Suburban Baltimore</b>			<b>—</b>	<b>—</b>	<b>191</b>	<b>2,232,500</b>
110 Thomas Johnson Drive	Frederick	owned	—	—	6	170,000
Route 15 / Biggs Ford Road	Frederick	owned	—	—	107	1,000,000
Rockville Corporate Center	Rockville	owned	—	—	10	220,000
M Square Research Park	College Park	JV - 45% ownership	49	510,453	—	—
<b>Total Suburban Maryland</b>			<b>49</b>	<b>510,453</b>	<b>123</b>	<b>1,390,000</b>
Arborcrest	Blue Bell	owned	—	—	8	160,000
<b>Total Greater Philadelphia</b>			<b>—</b>	<b>—</b>	<b>8</b>	<b>160,000</b>
Princeton Technology Center	Exit 8A - Cranbury	owned	—	—	19	250,000

<b>Total Central New Jersey</b>			—	—	19	250,000
Dahlgren Technology Center	King George County	owned	—	—	39	122,000
Expedition Park	St. Mary's County	owned	—	—	6	60,000
<b>Total St. Mary's &amp; King George Counties</b>			—	—	46	182,000
InterQuest	I-25 North Corridor	owned	—	—	113	1,626,592
9965 Federal Drive	I-25 North Corridor	owned	—	—	4	30,000
Patriot Park	Colorado Springs East	owned	—	—	71	756,257
Acrotech Commerce	Colorado Springs East	owned	—	—	6	90,000
<b>Total Colorado Springs</b>			—	—	194	2,502,849
San Antonio	San Antonio Northwest	owned	—	—	9	125,000
Northwest Crossroads	San Antonio Northwest	owned	—	—	31	375,000
Military Drive Business Park	San Antonio Northwest	owned	—	—	40	660,000
<b>Total San Antonio</b>			—	—	80	1,160,000
Indian Head	Charles County, MD	JV- 75% ownership	192	967,250	—	—
Fort Ritchie (1)	Fort Ritchie	owned	—	—	591	1,700,000
<b>Total Other</b>			192	967,250	591	1,700,000
<b>TOTAL</b>			297	3,129,573	1,530	13,072,913

This land inventory schedule excludes all properties listed as under construction, redevelopment or under development as detailed on pages 37 and 38.

(1) The Fort Ritchie acquisition includes 283,565 square feet of existing office space targeted for future redevelopment and 110 existing usable residential units.

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**Joint Venture Summary as of June 30, 2009**  
(Dollars in thousands)

**Consolidated Properties**

<u>Property and Location</u>	<u>Joint Venture Interest Held By COPT</u>	<u>Status</u>	<u>Square Feet</u>	<u>Acreage</u>	<u>Total Assets (1)</u>	<u>Consolidated Debt as of 6/30/09</u>
4230 Forbes Boulevard Lanham, Maryland	50.0 %	Operating	55,866	5 acres	\$ 4,653	\$ —
7468 Candlewood Road (2) Hanover, Maryland	92.5 %	Redevelopment	356,000	19 acres	28,501	—
Indian Head Technology Center Business Park Indian Head, Maryland	75.0 %	Land Inventory	967,250	192 acres	6,919	—
7740-7744 Milestone Parkway (3) Hanover, Maryland	50.0 %	Construction/ Land Inventory	451,730	23 acres	29,204	16,753
5825 University Research Court College Park, Maryland	45.0 %	Construction	116,083	8 acres	20,592	—
5850 University Research Court College Park, Maryland	45.0 %	Construction	123,464	8 acres	23,149	—
M Square Research Park College Park, Maryland	45.0 %	Land Inventory	510,453	49 acres	5,182	—
<b>TOTAL</b>					<b>\$ 118,200</b>	<b>\$ 16,753</b>

**Unconsolidated Properties**

<u>Property and Location</u>	<u>Joint Venture Interest Held By COPT</u>	<u>Status</u>	<u>Square Feet</u>	<u>COPT Investment</u>	<u>Off-Balance Sheet Debt as of 6/30/09</u>
Greater Harrisburg Portfolio Harrisburg and Mechanicsburg, Pennsylvania	20.0 %	Operating	671,763	\$ (4,873)	\$ 66,600

- (1) Total assets includes any outside investment basis related to the applicable joint venture plus the total assets recorded on the books of the consolidated joint venture.  
(2) The 7468 Candlewood Road project is currently being redeveloped into approximately 356,000 rentable square feet of warehouse/flex space.  
(3) In this joint venture entity, one building totaling 148,130 square feet is currently under construction.

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**Reconciliations of Year to Date Non GAAP Measurements**  
(Dollars in thousands)

Six Months Ended June 30,

	2009	2008
<b>GAAP revenues from real estate operations from continuing operations</b>	<b>\$ 212,562</b>	<b>\$ 194,948</b>
Revenues from discontinued operations	—	355
<b>Real estate revenues from continuing and discontinued operations</b>	<b>\$ 212,562</b>	<b>\$ 195,303</b>
<b>GAAP revenues from real estate operations from continuing operations</b>	<b>\$ 212,562</b>	<b>\$ 194,948</b>
Property operating expenses	(76,195)	(68,499)
Revenues from discontinued operations	—	355
Property operating expenses from discontinued operations	—	(198)
<b>NOI</b>	<b>\$ 136,367</b>	<b>\$ 126,606</b>
<b>Depreciation and amortization assoc. with real estate operations from continuing operations</b>	<b>\$ 55,199</b>	<b>\$ 49,847</b>
Depreciation and amortization from discontinued operations	—	52
<b>Real estate-related depreciation and amortization</b>	<b>\$ 55,199</b>	<b>\$ 49,899</b>
<b>Total tenant improvements and incentives on operating properties</b>	<b>\$ 8,051</b>	<b>\$ 8,578</b>
Total capital improvements on operating properties	3,836	3,648
Total leasing costs for operating properties	2,576	1,765
Less: Nonrecurring tenant improvements and incentives on operating properties	(2,069)	(2,082)
Less: Nonrecurring capital improvements on operating properties	(1,282)	(1,368)
Less: Nonrecurring leasing costs for operating properties	(916)	(52)
Add: Recurring improvements on operating properties held through joint ventures	70	114
<b>Recurring capital expenditures</b>	<b>\$ 10,266</b>	<b>\$ 10,603</b>
<b>Interest expense from continuing operations</b>	<b>\$ 38,102</b>	<b>\$ 43,077</b>
Interest expense from discontinued operations	—	51
<b>Total interest expense</b>	<b>\$ 38,102</b>	<b>\$ 43,128</b>
Less: Amortization of deferred financing costs	(2,033)	(1,662)
<b>Denominator for interest coverage</b>	<b>\$ 36,069</b>	<b>\$ 41,466</b>
Scheduled principal amortization	5,509	7,386
<b>Denominator for debt service coverage</b>	<b>\$ 41,578</b>	<b>\$ 48,852</b>
Scheduled principal amortization	(5,509)	(7,386)
Preferred dividends - redeemable non-convertible	8,051	8,051
Preferred distributions	330	330
<b>Denominator for fixed charge coverage</b>	<b>\$ 44,450</b>	<b>\$ 49,847</b>
<b>Common dividends for earnings payout ratio</b>	<b>\$ 41,861</b>	<b>\$ 32,370</b>
Common distributions	3,979	5,543
<b>Dividends and distributions for FFO and AFFO payout ratios</b>	<b>\$ 45,840</b>	<b>\$ 37,913</b>
<b>Income tax expense from continuing operations</b>	<b>\$ 122</b>	<b>\$ 5</b>
Income tax expense from gain on sales of discontinued operations	—	—
Income tax expense from gain on other sales of real estate	—	578
<b>Total income tax expense</b>	<b>\$ 122</b>	<b>\$ 583</b>

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**Reconciliations of Quarter to Date Non GAAP Measurements  
(Dollars in thousands)**

	2009		2008		
	June 30	March 31	December 31	September 30	June 30
<b>Total Assets or Denominator for Debt to Total Assets</b>	<b>\$ 3,198,675</b>	<b>\$ 3,137,290</b>	<b>\$ 3,114,239</b>	<b>\$ 3,100,831</b>	<b>\$ 3,011,374</b>
Accumulated depreciation	382,385	362,318	343,110	339,429	320,879
Intangible assets on real estate acquisitions, net	81,090	85,774	91,848	98,282	104,136
Assets other than assets included in properties, net	(344,539)	(327,878)	(335,773)	(362,132)	(308,969)
<b>Denominator for Debt to Undepreciated Book Value of Real Estate Assets</b>	<b>\$ 3,317,611</b>	<b>\$ 3,257,504</b>	<b>\$ 3,213,424</b>	<b>\$ 3,176,410</b>	<b>\$ 3,127,420</b>
<b>GAAP revenues from real estate operations from continuing operations</b>	<b>\$ 105,718</b>	<b>\$ 106,844</b>	<b>\$ 103,599</b>	<b>\$ 101,086</b>	<b>\$ 97,946</b>
Revenues from discontinued operations	—	—	—	3	85
<b>Real estate revenues from continuing and discontinued operations</b>	<b>\$ 105,718</b>	<b>\$ 106,844</b>	<b>\$ 103,599</b>	<b>\$ 101,089</b>	<b>\$ 98,031</b>
<b>GAAP revenues from real estate operations from continuing operations</b>	<b>\$ 105,718</b>	<b>\$ 106,844</b>	<b>\$ 103,599</b>	<b>\$ 101,086</b>	<b>\$ 97,946</b>
Property operating expenses	(37,162)	(39,033)	(36,786)	(35,854)	(33,957)
Revenues from discontinued operations	—	—	—	3	85
Property operating expenses from discontinued operations	—	—	—	(12)	(11)
<b>NOI</b>	<b>\$ 68,556</b>	<b>\$ 67,811</b>	<b>\$ 66,813</b>	<b>\$ 65,223</b>	<b>\$ 64,063</b>
<b>Depreciation and amortization assoc. with real estate operations from continuing operations</b>	<b>\$ 28,708</b>	<b>\$ 26,491</b>	<b>\$ 27,290</b>	<b>\$ 25,583</b>	<b>\$ 24,955</b>
Depreciation and amortization from discontinued operations	—	—	—	—	—
<b>Real estate-related depreciation and amortization</b>	<b>\$ 28,708</b>	<b>\$ 26,491</b>	<b>\$ 27,290</b>	<b>\$ 25,583</b>	<b>\$ 24,955</b>
<b>Total tenant improvements and incentives on operating properties</b>	<b>\$ 3,826</b>	<b>\$ 4,225</b>	<b>\$ 5,472</b>	<b>\$ 6,305</b>	<b>\$ 4,731</b>

Total capital improvements on operating properties	2,323	1,513	4,434	3,179	2,631
Total leasing costs for operating properties	950	1,626	1,269	999	520
Less: Nonrecurring tenant improvements and incentives on operating properties	(2,028)	(41)	(1,615)	(1,995)	(1,287)
Less: Nonrecurring capital improvements on operating properties	(694)	(588)	(836)	(1,299)	(866)
Less: Nonrecurring leasing costs for operating properties	(16)	(900)	(49)	(217)	(22)
Add: Recurring improvements on operating properties held through joint ventures	22	48	7	36	114
<b>Recurring capital expenditures</b>	<b>\$ 4,383</b>	<b>\$ 5,883</b>	<b>\$ 8,682</b>	<b>\$ 7,008</b>	<b>\$ 5,821</b>
<b>Interest expense from continuing operations</b>	<b>\$ 18,678</b>	<b>\$ 19,424</b>	<b>\$ 21,290</b>	<b>\$ 22,503</b>	<b>\$ 21,162</b>
Interest expense from discontinued operations	—	—	—	—	10
<b>Total interest expense</b>	<b>\$ 18,678</b>	<b>\$ 19,424</b>	<b>\$ 21,290</b>	<b>\$ 22,503</b>	<b>\$ 21,172</b>
Less: Amortization of deferred financing costs	(1,009)	(1,024)	(1,038)	(1,143)	(885)
<b>Denominator for interest coverage</b>	<b>\$ 17,669</b>	<b>\$ 18,400</b>	<b>\$ 20,252</b>	<b>\$ 21,360</b>	<b>\$ 20,287</b>
Scheduled principal amortization	2,662	2,847	6,678	3,424	3,566
<b>Denominator for debt service coverage</b>	<b>\$ 20,331</b>	<b>\$ 21,247</b>	<b>\$ 26,930</b>	<b>\$ 24,784</b>	<b>\$ 23,853</b>
Scheduled principal amortization	(2,662)	(2,847)	(6,678)	(3,424)	(3,566)
Preferred dividends - redeemable non-convertible	4,026	4,025	4,026	4,025	4,026
Preferred distributions	165	165	165	165	165
<b>Denominator for fixed charge coverage</b>	<b>\$ 21,860</b>	<b>\$ 22,590</b>	<b>\$ 24,443</b>	<b>\$ 25,550</b>	<b>\$ 24,478</b>
<b>Common dividends for earnings payout ratio</b>	<b>\$ 21,597</b>	<b>\$ 20,264</b>	<b>\$ 19,283</b>	<b>\$ 19,183</b>	<b>\$ 16,197</b>
Common distributions	1,894	2,085	2,946	3,021	2,772
<b>Dividends and distributions for FFO and AFFO payout ratios</b>	<b>\$ 23,491</b>	<b>\$ 22,349</b>	<b>\$ 22,229</b>	<b>\$ 22,204</b>	<b>\$ 18,969</b>
<b>Income tax expense from continuing operations</b>	<b>\$ 52</b>	<b>\$ 70</b>	<b>\$ 99</b>	<b>\$ 97</b>	<b>\$ (107)</b>
Income tax expense from gain on sales of discontinued operations	—	—	—	—	—
Income tax expense from gain on other sales of real estate	—	—	—	—	5
<b>Total income tax expense</b>	<b>\$ 52</b>	<b>\$ 70</b>	<b>\$ 99</b>	<b>\$ 97</b>	<b>\$ (102)</b>